

NAMAKWA DISTRICT MUNICIPALITY



Annual Report 2010 / 2011



Wapenskild



Daar is gebruik gemaak van die nuwe Europese skildvorm.

Die goue gedeelte in die skild verwys na die oorwegend dorre gebied wat deur die Distriksmunisipaliteit bedien word. Die twee toegewende klimmende Springbokke in die skildvoet sluit nie alleen net by die administratiewe setel aan nie, maar ook by die groot troppe van hierdie dier wat in die distrik voorgekom het en 'n belangrike bestaansbron was vir die San en Nama.

Die golwende streepbalke verwys na die belangrikheid van water in die gebied en dui ook op die berge in die Hantam area.

Die bittergousblom in die skildhoof is eie aan die streek en dien ook as alternatief vir die son wat as element vir die wapen voorgestel is.

Die diamante dui op die natuurlike aardse bronne en ryk minerale in die streek.

Die skildhouers is twee dwergvalkies wat eie is aan die Hantam area en ook in die vorige Hantam Distriksraad se wapen voorgekom het.

Die kroon wat op die skild rus is in die vorm van stene wat dui op 'n samebouende, samewerkende regering.

Die wapenspreuk “!Gâ!Osib” is 'n Nama vertaling van die woord Welvaart. Die HAT woordeboek beteken van die woord Welvaart is 'Voorspoed' en 'Gesondheid'. Die lint waarop die wapenspreuk staan is goud met 'n wynrooi agtergrond wat beide dui op die natuurlike bronne binne die streek.

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Ms ML Brandt
The Municipal Manager
27 March 2012

INTRODUCTION TO ANNUAL REPORT



I have pleasure in submitting the 2010/2011 Annual Report of the Namakwa District Municipality.

The financial year of 2010/2011 the institution the institution was administratively lead by Mr Jannie Loubser- then the acting Municipal Manager.

We have created an opportunity for Mr Loubser to share his experience of the past financial year through his forward.

I invite you for a pleasant read, humbly requesting your honest and balanced reflection of the Namakwa District Municipality during the year of 2010/2011

Madeleine Lesley Brandt

12 September 2011

VISION

“The establishment of a development-orientated and economically viable district through sustainable growth”

MISSION

The promotion of the quality of life of the Namakwa community through purposeful and quality service and the effective and optimal utilisation of resources, focussing especially on:

- Economic development
- Development, upgrading and maintenance of basic infrastructure
- Development of human resources
- Sustainable management and optimal utilisation of operational and natural resources
- Creating of a safe, healthy and investment-friendly environment
- Development of opportunities for local entrepreneurs
- Ensuring friendly, credible and transparent services and client satisfaction.

FOREWORD

Executive Mayor



Just after the 2011 Local Government Elections on the 26 May 2011 we came to know of the untimely death of the Executive Mayor, Hendrik J Visser. The late Dominee, as he was affectionately known to his peers and followers, until his death, was a servant to the people of the Namaqualand Region, the Northern Cape and our country at large. “We salute you, Dominee! Jy het diep spore getrap, dankie vir jou onbaatsugtige diens!

It is with pleasure that we also announce that the Namakwa District Municipality under Dominee’s leadership achieved for the 3rd consecutive year an unqualified audited report. This is testimony to his hard work, his dedication to clean governance, his commitment to essential services to those who needed it most. His legacy is surely one that every South African can look up to and be proud of. Hamba Kahle Dominee!

The local government elections of 18 May 2011 has heralded in a new future and focus the for Namakwa District Municipality:

- The Road Maintenance Section will be transferred to the Department of Roads and Public Works with effect from 01 July 2011.
- The DMA Areas – including the community of Swartkops will revert to the respective local municipalities.

The shedding of these operational functions has demanded a new outlook of NDM and in the future our focus will be characterised by:

- Focusing outwards, rather than inward, to built capacity at the B-Municipalities.
- Becoming directly involved in service delivery, especially infrastructure within the
- B-Municipalities.

The Municipality is ready to face these challenges and make a success thereof, in the same way that it has done in the past.

FORWORD

Acting Municipal Manager



The past financial year was the last year in office for the existing Council and also the fifth year of the sustainability phase of the developmental government cycle.

The Integrated Development Plan (IDP) of the District Municipality concentrated during the current IDP cycle more on economic development, specifically to ensure the future sustainability of the District and her six local municipalities. This is however a daunting task, especially due to the downscaling of mining activities, but LED (Local Economic Development) Plans, initiated and funded by the NDM are being compiled to assist in this process. There are also continuous processes of infrastructure development although, as always, improvement is possible and necessary.

There were several highlights during the financial year. The Soccer World Cup 2010 final was in July 2010 and the tournament was brought to all the people of Namakwa with funding of more than R 1 million from the NDM. The tournament was screened in every village in Namakwa to ensure its people join in the success of the tournament. This was the most comprehensive District coverage in the Northern Cape and probably in South Africa.

The need for future human capital development of the District's population culminated in a District Skills Summit that was held in Okiep in November 2010. The implementation of these resolutions will ensure *inter alia* the improvement of the literacy rate and the retaining of skilled people in Namakwa.

This period however also saw the sadly and unexpected passing away of the District Executive Mayor, Councillor H J Visser. He will be remembered as an inspiring ex-Municipal Manager and later Executive Mayor.

The Local Government Elections was in May 2011 and the NDM Council increases from 14 to 15 Councillors.

It is envisage that with the guidance and leadership of this new Council, the District will make sure that the present existing backlog in service delivery will be minimized, the eradication of poverty continued and the establishing of fully functional human settlements be achieved to fulfil its developmental role.

J.T. Loubser- (*Acting Municipal Manager*)

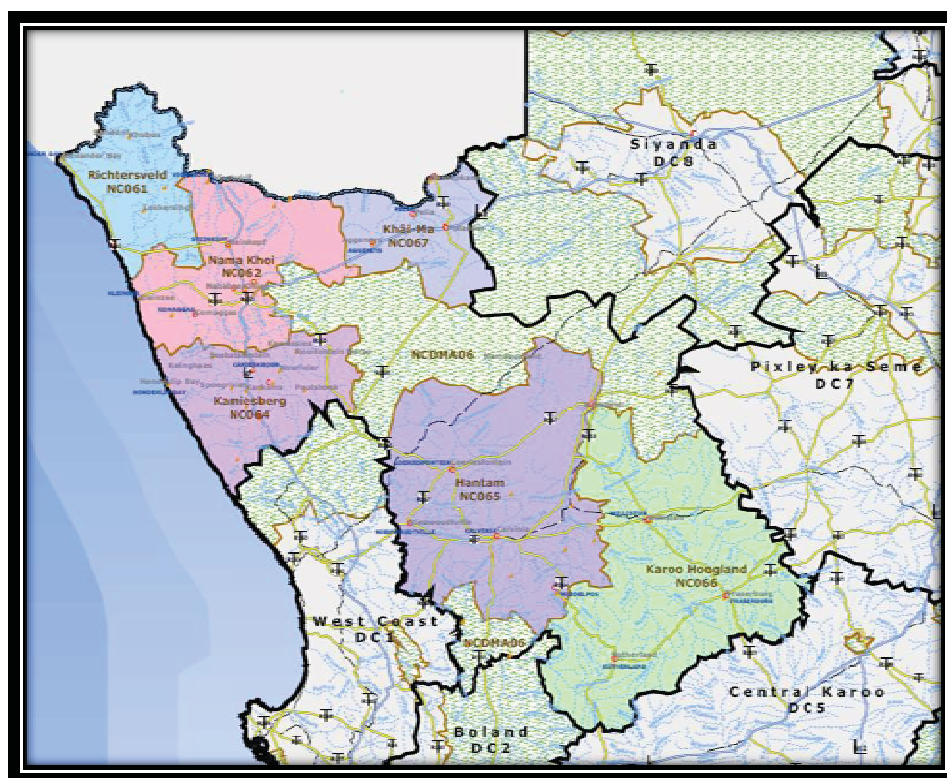
1. INTRODUCTION AND OVERVIEW

1.1. Geography

The Namakwa district is in the western part of the Northern Cape and South Africa. The district consists of 6 local municipalities and covers a geographical area of approximately 126 747.43 km². It is bordered by the Siyanda and Pixley ka Seme Districts of the Northern Cape Province to the North-East and South East, respectively, and by the Western Cape Province to the South. The Atlantic Ocean forms the Western boundary, while the Orange River forms the Northern border with Namibia.

Geographically the District is the biggest region in the Northern Cape but with the smallest population averaged at about 126 494 (Quantec Database, Community Survey 2007). Namakwa combines the unspoilt expanses of Namaqualand and Hantam Karoo to form a region of exquisite natural beauty and contrast.

The District is characterised by large open semi-arid land, with small towns centred around activities such as mining, tourism and agriculture. The majority of land is un-used/vacant, with small pockets of agricultural land (mostly stretching north from the Western Cape along the N7 towards Springbok) and important conservation areas. The North Western portion of the District (along the coast and along the Orange River) is also used for mining, mostly diamonds.



1.2. Socio-Economic Profile

The socio-economic profiling baseline data that shows that poverty is widespread throughout the district. The Namakwa District Municipality is the largest district geographically, but has a small and dispersed population (with a population density of 0.9 people per/km² compared to South Africa's 3.91p/p/km² and the Northern Cape 2.62p/p/km²). The NDM consist of the following local municipalities:

- Richtersveld Local Municipality
- Nama Khoi Local Municipality
- Kamiesberg Local Municipality
- Karoo Hoogland Local Municipality
- Khâi-Ma Local Municipality
- Hantam Municipality

Each local municipality has a small population, the smallest is Karoo Hoogland (just over 10 419) and the largest is Nama Khoi (over 54 643). The total population is estimated at over 125 000 people.

The population can be regarded as having a high dependency ratio, with 7.39% of the population over the age of 65 and 25% are under 15 years. The latter youth group will be demanding education, housing and jobs in the near future.

Approximately 5% of the population has no schooling, and just 1.54% of the population have a higher education, resulting in a shortage of highly skilled people – 58% of the economically active population are classified as unskilled. In 2007, 12.82% of the population were unemployed, 45.71% were employed, and 37.34% were not economically active. As a result of the employment situation as well as quality of jobs (skills levels) 74.96% of the population falls within the poverty level. Notably, this feeds into a reliance on the state, with 36% of the households registered as indigent (100% of Namakwa DMA, 65% of Khai Ma) and 25% of the population receiving social grants (mostly child support, disability and old age).

The majority of the population resides in formal dwelling structures, with 5% of households in informal dwellings and 2.4% in traditional huts. Around 91% of households have access to electricity and 5.1% of households have access to the internet. 32.6% of the population travel by foot and public transport is severely limited (largely due to the geographic distances between settlements).

In terms of health, official figure show that 5.1% of the population has HIV/AIDS, but this is growing rapidly and may be inaccurate due to a lack of accessible testing facilities.

Growth Domestic Product growth in the area has been slow (averaging 2.03% between 2004 and 2007), with the Nama Khoi LM contributing 41.7% of the NDM total GDP. The mining sector is the largest contributor to GDP (52%) and the mining sector is the only sector with a comparative advantage. A concerning trend is that mining contribution to employment is declining rapidly. As such, alternative sectors need to be prioritised to absorb labour, as well as create additional jobs for the unemployed and youth. Semi-arid biomes make the area suitable for tourism and conservation, as well as renewable energy and star-gazing.

1. KEY PERFORMANCE AREAS

The Namakwa District Municipality concentrate during the past financial year to improve its governance function namely the mandate it has to:

- Provide a democratic and accountable government for local municipalities
- Ensure the provision of services to communities in a sustainable manner
- Promote a safe and healthy environment
- Encourage the involvement of communities and community organisations in the matters of Local Government
- The district does not account for the provision of bulk electricity and water to Category B municipalities as this falls in the jurisdiction of these municipalities as concluded in the Structures Act.

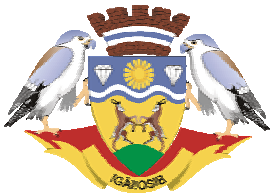











The Key performance areas that was concentrated on were the following:

Key Performance Areas	Description
Basic Services	The provision of Basic Services through infrastructure and the maintenance thereof.
Local Economic Development	The stimulation, strengthening and improvement of the local economy in order to achieve sustainable growth
Financial Viability and Financial Management	The promotion and maintenance of a financially viable municipality
Municipal Institutional development & Transformation	The facilitation and development of sustainable service delivery through capacity building in the municipality
Good Governance and Community Participation	The role of the Council to ensure effective public participation






2. POLITICAL STRUCTURE

The Municipal Council of Namakwa District Municipality consists of fifteen (15) members. Nine (9) represent Municipalities and the rest are direct elected to represent political parties on the basis of proportional representation. The ruling party in the Council is the African National Congress (ANC).

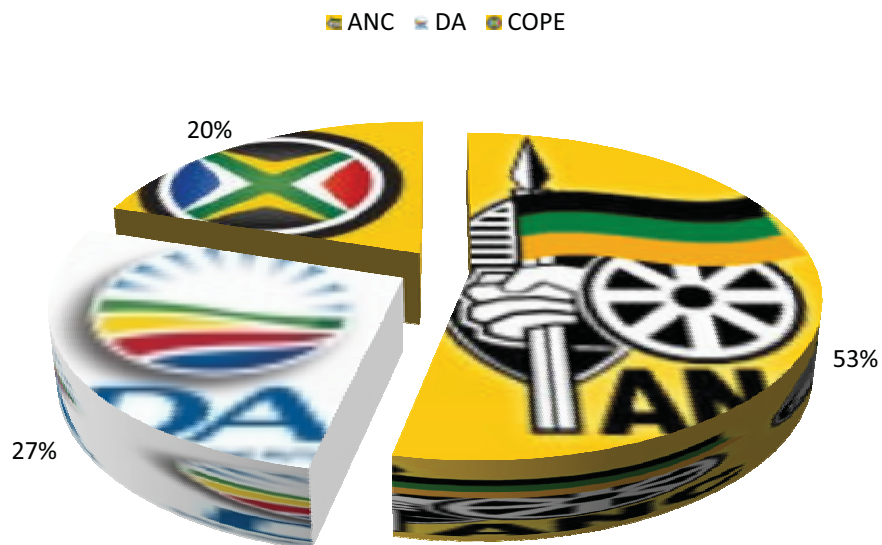
Council members with Political Affiliation

MUNICIPALITY	COUNCELLOR	POLITICAL PARTY
		
Namakwa District Municipality	Mr F van den Heever	African National Congress
		
Namakwa District Municipality	Mr B Vass	African National Congress
		
Nama Khoi Municipality	Ms D Hoskins	African National Congress
		
Kamiesberg Municipality	Ms MS Cardinal	African National Congress

		
Namakwa District Municipality	Ms E Drage-Maritz	African National Congress
		
Nama Khoi Municipality	Ms K R Groenewald	Democratic Alliance
		
Nama Khoi Municipality	Mr S van Wyk	Congress of the People
		
Khai Ma Municipality	Ms P van Heerden	African National Congress
		
Richtersveld Municipality	Mr WJ Links	African National Congress

		
Nama Khoi Municipality	Mr FX Cupido	African National Congress
		
Hantam Municipality	Mr J Swartz	Congress of the People
		
Namakwa District Municipality	Mr SJ Engelbrecht	Congress of the People
		
Karoo Hoogland Municipality	Mr J van der Colf	Democratic Alliance
		
Namakwa District Municipality	Mr SF Nieuwoudt	Democratic Alliance
		
Namakwa District Municipality	Mr C Warne	Democratic Alliance

BREAKDOWN OF NAMAKWA DISTRICT POLITICAL STRUCTURE



2.1. Executive Mayor

The Mayor is the chairman of the Executive Committee. He performs the duties, including any ceremonial functions, and exercises the powers delegated to the mayor by the municipal council or executive committee.

2.2. Executive Committee (EXCO)



3. MUNICIPAL ADMINISTRATION

The Administration of the District Municipality consists of 8 Departments that directly reports to the Municipal Manager (A Municipal Manager was not appointed during the year and an Acting Municipal Manager, Mr JT Loubser fulfilled this function)

3.1. Managers



Mr J Loubser
Acting Municipal Manager



Mr W Auret
Community Services



Mr G Cloete
Human Resources



Ms E Bezuidenhout
Administration



Mr C Fortuin
Local Economic
Development



Mr I Smith
Projects



Mr J Loubser
Planning



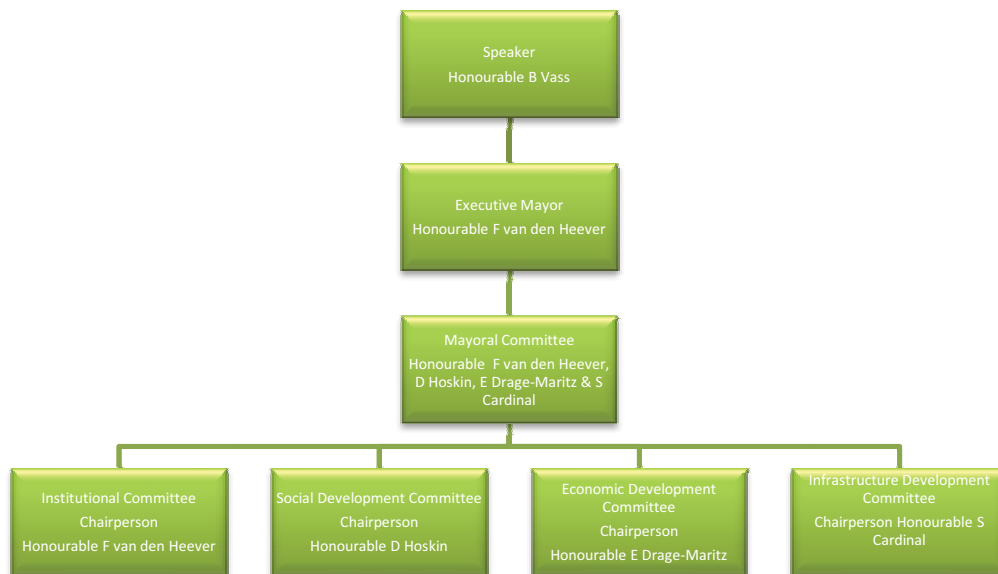
Mr F Rootman
Finances



Mr B Vass
Social Labour Plans

4. HUMAN RESOURCES AND OTHER ORGANISATIONAL MANAGEMENT

4.1. Political Structure



4.2. Office of the Executive Mayor

The Executive Mayor, Honourable Hendrik Visser, died in 2011 after the elections. Honourable Frank van den Heever was elected as Executive Mayor on 28 May 2011.

4.3. Office of the Speaker

Honourable Bentley Vass was re-elected as Speaker.

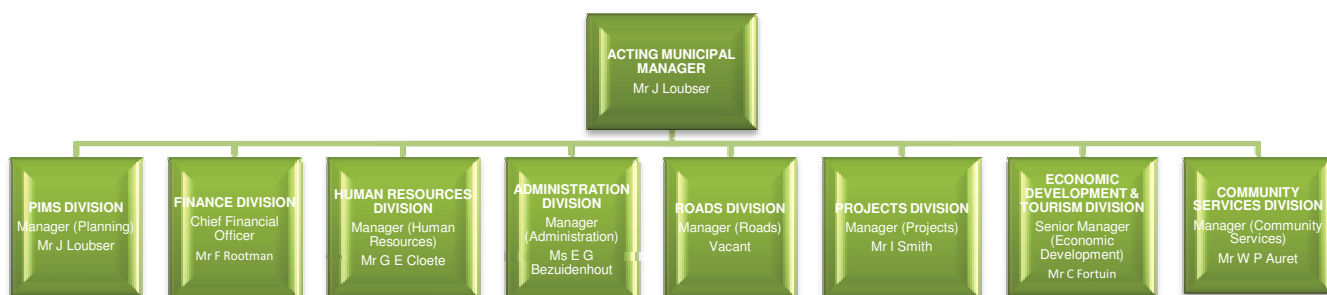
Council and Committees

We have new Councillors and three of the four Committees are chaired by women.

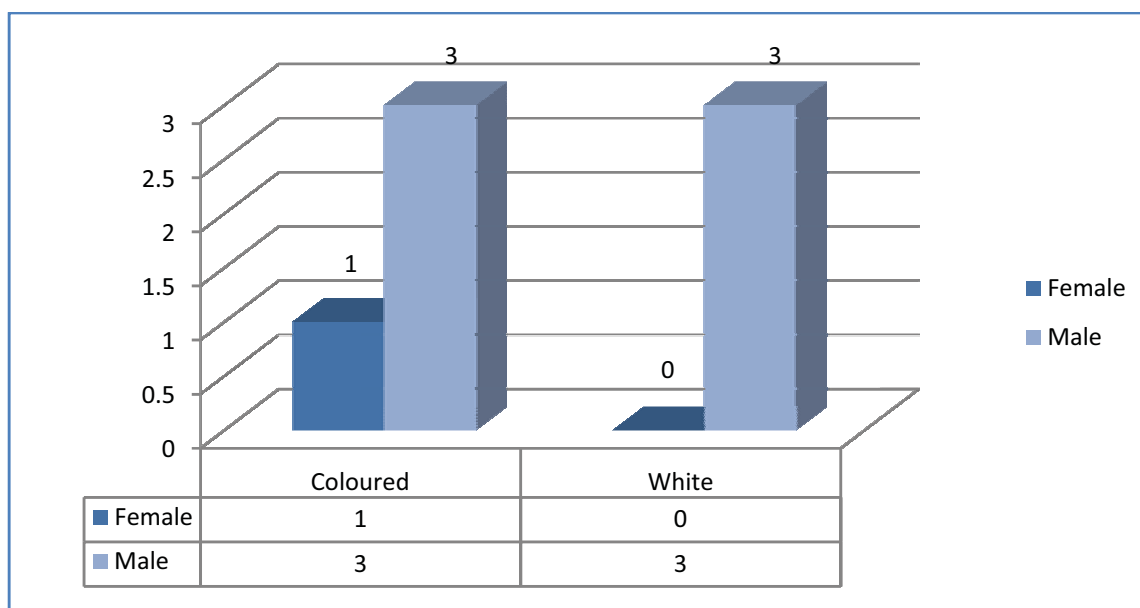
4.4. Organisational Structure

Namakwa District Municipality has a total of 184 posts on the organogram of which 121 posts were filled at the end of the financial year. From 1 July 2011 56 employees will be transferred to the Department of Roads and Public Works as the function is taken back by this Department. The Chief Financial Officer was appointed on 1 June 2011 and the Municipal Manager will be appointed in the new financial year.

The current senior management structure looks as follows:



The Management team of the Namakwa District Municipality consists of:



4.5. Policies

We completed our Risk Assessment and Strategy with the assistance of Provincial Treasury. Council also approved Anti Corruption Strategy.

4.6. Employment Equity

Our EE Report was submitted electronically during December 2010.

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management	0	0	0	0	0	0	0	0	0	0	0
Senior management	0	3	0	3	0	1	0	0	0	0	7
Professionally qualified and experienced specialists and mid-management	0	5	1	3	0	4	0	0	0	0	13
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	0	10	0	4	0	9	0	0	0	0	23
Semi-skilled and discretionary decision making	1	25	0	1	0	18	0	2	0	0	47
Unskilled and defined decision making	1	23	0	0	0	2	0	0	0	0	26
TOTAL PERMANENT	2	66	1	11	0	34	0	2	0	0	116
Temporary employees	1	3	0	0	0	1	0	0	0	0	5
GRAND TOTAL	3	69	1	11	0	35	0	2	0	0	121

5. SKILLS DEVELOPMENT

We believe in capacitating our human resources and therefore 86.5% of the training budget was spent on implementing the Workplace Skills Plan (WSP). Both Councillors and employees received training.

Employment category	Race										
	African		Coloured		Indian		White		Total		Total
	M	F	M	F	M	F	M	F	M	F	
SOC 100 Legislators	0	0	8	5	0	0	2	0	10	5	15
SOC 100 Directors and Corporate Managers	0	0	3	1	0	0	4	0	7	1	8
SOC 200 Professionals	0	0	5	4	1	0	2	0	8	4	12
SOC 300 Technicians and Trade Workers	0	0	3	1	0	0	1	0	4	1	5
SOC 400 Community and Personal Service Workers	0	0	1	4	0	0	0	0	1	4	5
SOC 500 Clerical and Administrative Workers	0	0	8	21	0	0	1	1	9	22	31
SOC 700 Machine Operators and Drivers	0	0	0	0	0	0	0	0	0	0	0
SOC 800 Labourers	0	0	0	2	0	0	0	0	0	2	2
Apprentices	0	0	0	0	0	0	0	0	0	0	0
TOTALS	0	0	28	38	1	0	10	1	39	39	78

6. PERFORMANCE MANAGEMENT

The Performance Agreement of the CFO will be signed when the Municipal Manager is appointed.

Currently we only measure the performance of the Municipality through our electronic performance management system, e-perform.

7. GOVERNANCE

The Municipal Manager will be appointed in the new financial year. The roads function will also be transferred back to the Department of Roads and Public Works from 1 July 2011.

8. PROJECTS FOR NEXT FINANCIAL YEAR

The Human Resources Division has only two projects planned for the next financial year. The implementation of the Workplace Skills Plan is a standing project that must be implemented every year. Then we plan on implementing the Individual Performance Management System.

9. ADMINISTRATION DEPARTMENT

9.1. Objective

The strategic objectives of the Administration function are to effectively and efficiently manage all administration services vested in the department of administration.

9.2. Overview

The Administration department may best be described as the backbone of municipal governance. The main purpose is to support political structures by providing services to enhance governance and service delivery capacity.

Administration Management Services is internally focused. The basket of services rendered by the unit ensures that the municipality and council function optimally.

The Administration section mainly provide administrative support to Council which inter alia includes Agendas, Minutes, Property Administration Archives, Administration regarding transfer of properties and general day to day related administrative processes and functions.

9.3. Best Practices

The compilation, binding and distribution of a presentable Council agenda and minutes along with the preparation and organizing of Council meetings' is our pride and speak of high standard.

Our filing system is central base and the two officials who work in a restricted area ensure effective record management which determine the integrity, accessibility and trust of our municipal records. The Record Management Policy has been approved which will assist us to be organized, systematic, efficient and transparent. It will also guide us to help all people who should be able to access information to do so easily.

Disposal authority was granted for terminated records other than correspondence files such as registers, receipt books (milk receipts, levies receipts, dog tax register, bicycle license, roadworthy certificates , leave register, stores requisition.

The Namakwa District Municipality granted permission to amend and update the Support Functions Filing System under the different main Series.

A positive inspection report was issued by the Department of Sport Arts and Culture which gave us confidence to assist B-municipalities in their control and organizing of records.

9.4. Challenges

- The vast geographically demarcation of our region causes a major challenge in delivering the Council agenda on time as required by the Act.
- All wooden cabinets in the central registry must be replaced with lockable four drawer steel cabinets.

The Administration Manager would like to appraise the Administration team for their support and co-operation at all times which enable us to succeed on every level in our Department.

E G BEZUIDENHOUT
HEAD: ADMINISTRATION

10.INFRASTRUCTURE DEVELOPMENT: PROJECTS DIVISION

10.1. Introduction

As a division the objective is to speed up effective and sustainable service delivery within the district. One of the key performance areas of the division is to ensure the delivery of basic services to the communities. By addressing the backlog within the communities through the construction of new infrastructure the division also aims to create maximum job opportunities based on the EPWP principles.

A Project Management Unit (PMU) was established at District level. The PMU facilitates the development of projects as well as management of projects within category B-Municipalities. The PMU also assists with capacity within category B-Municipalities where and as the need arises.

A Civil Technician and Data Capturer/IT Officer were appointed within the division this financial year.

It is also the objective of the Projects Division to:

- Manage administrative services within the Department
- Manage and facilitate infrastructure development
- Implement key performance indicators

10.2. Capital Projects

The upgrading of oxidation ponds in Loeriesfontein were completed within the Hantam municipal area. This upgrading included the construction of 2 new primary as well as 3 new secondary oxidation ponds. The capacity of the primary ponds is 9ML and the secondary ponds are 28,26ML.



Loeriesfontein Oxidation Ponds: Google earth view

Khai Ma Municipality completed the upgrading of a 200mm diameter ductile iron bulk water supply line of about 14km between Pella en Pofadder.



Pofadder : Bulk supply line



Pofadder : Bulk supply line

Karoo Hoogland Municipality completed the Sutherland – and Williston oxidation ponds. Seven (7) new oxidation ponds were constructed at both settlements with a capacity of 0.5ML/day.



Carolusberg Water Network



Okiep Water Network

Nama Khoi Municipality upgraded the water network of Concordia, Okiep Bergsig, Matjieskloof and Carolusberg. The pipelines installed ranged between 50 – 160mm in diameter with an approximate length of 21km in total. Stormwater facilities of Steinkopf, Nababeep, Okiep Matjieskloof, Carolusberg and Concordia were also upgraded.

Kamiesberg Municipality constructed a new multipurpose recreational centre and also upgraded the desalination plants of Kheis, Klipfontein, Spoegrivier, Lepelfontein and Soebatsfontein. The recreational centre consists of a community hall, clinic, office for the municipality and also accommodate the pre-primary school. The capacity of the desalination plants for Kheis, Klipfontein, Spoegrivier, Lepelfontein and Soebatsfontein are 5.5m³/hour, 4m³/hour, 3m³/hour, 2.5m³/hour and 4.5m³/hour respectively.



Lepelfontein Community Centre during construction

Richtersveld Municipality completed High Mast lighting in Port Nolloth and Sandrift. In Port Nolloth approximately 5km road surface was repaired and resealed and interlock paving of about 7200m² was done at Eksteenfontein, Lekkersing, Kubus and Sandrift.



Eksteenfontein: Paving



Port Nolloth:High Mast lighting



Port Nolloth: Repair & Reseal

Table 1 provides a summary of the capital projects successfully completed by municipalities for the 2010/11 financial year.

Table 1: Summary of Capital projects completed (2010/2011)

Project name	Project location	Funder	Expenditure	Consultant	Contractor	Status
HANTAM MUNICIPALITY						
Oxidation Ponds	Loeriesfontein	MIG	R 5 187 436.80	BVi Consulting Eng	LH Upington Konstruksie	Completed
KHAI MA MUNICIPALITY						
Pofadder Bulk Water Supply	Pella/Pofadder	MIG	R12 557081.48	BVi Consulting Eng	Enza Hendra	Completed
NAMA KHOI MUNICIPALITY						
Upgrading of Water Networks	Mun. Area	MIG	R 9 240 000.00	BVI Consulting Eng	Nammic and Brink & Heath	Completed
Upgrading of Storm water Infrastructure	Mun. Area	MIG	R 2,523,455.08	Nama Khoi Mun.	Local SMME's	Construction
KAMIESBERG MUNICIPALITY						
Multipurpose Recreation Centre	Lepelfontein	MIG	R 1 001 085.77	HDR Consultants	Duneco	Completed
New Desalination Plants	Mun. Area	MIG	R 3 859 223.74	HDR Consultants	various	Completed
KAROO HOOGLAND MUNICIPALITY						
Oxidation Ponds	Williston	MIG	R 5,959,040.94	Kwezi V3	Mouton Civils	Completed
Oxidation Ponds	Sutherland	MIG	R6,790,845.00	Kwezi V3	Mouton Civils	Completed

RICHTERSVELD MUNICIPALITY						
High Mass Lighting	Port Nolloth	MIG	R 1,195,565.49	DAR	Adenco	completed
High Mass Lighting	Sanddrift	MIG	R 488,966.79	DAR	Adenco	completed

10.3. PROJECTS FUNDED BY THE NAMAKWA DISTRICT MUNICIPALITY

The District Municipality made R 850 000.00 available to all category B-Municipalities within the district for implementation on upgrading of infrastructure with the objective to create job opportunities for individuals without an income. The District was also the implementing agent for the construction of the Bergsig/Vaalwater Community Centre within the Nama Khoi Municipal area and also completed paving at the parking area at the Head Office of NDM.

Table 2 provides a breakdown of the Funds spent as well as the job opportunities created by these Municipalities.



NDM head office



Bergsig/Vaalwater Community hall

Table 2: Summary of NDM Capital spent

MUNICIPALITY	EXPENDITUR E	JOBS CREATED
HANTAM MUNICIPALITY		
• Nieuwoudtville: Construction of Low level Bridge	R 28 489.01	5
• Calvinia: Upgrading of Steyn Street	R 67 216.05	25
• Brandvlei: Water Investigations: Additional Water Sources	R 137 021.60	0
• Calvinia: Installation of 47kW sewer pump	R 76 765.35	3
• Nieuwoudtville: Equip of new Borehole	R 84 690.66	14
• Surveying of new erven for Low Cost Housing	R108 723.20	0
KHAI MA MUNICIPALITY		
• Khai Municipal Area: Cleaning of Towns	R 102810.48	275
• Pofadder: Upgrading of Khai Municipal Offices	R 581599.39	14
• Witbank: Rectification of Bulk water supply	R 165590.13	20
NAMA KHOI MUNICIPALITY	No report received	No report received
KAMIESBERG MUNICIPALITY		
• Lepelfontein: Electrification	R 418 005.12	4
• Soebatsfontein & Kamassies: Construction of UDS toilets	R 186 570.00	30
KAROO HOOGLAND MUNICIPALITY		
• Rectification of Municipal buildings/parks: Material and labour	R 175,374.31	98
• Sutherland: Provision of additional sewer storage capacity	R 192 432.00	0
• Municipal area: Rectification and upgrading of streets	R 169 241.00	183
• Municipal area: Replace prepaid water meters	R 320,239.68	0
• Namakwa Skills Summit	R 32 000.00	0
RICHTERSVELD MUNICIPALITY		
• Port Nolloth: Upgrading of Caravan Park	R 47 874.21	4
• Port Nolloth(Sizamile): Water loss investigations	R 30 343,28	8
• Port Nolloth: Upgrading of Cemetery	R 138 581.45	14
• Municipal Area: Cleaning of VIP toilets	R 148 354.13	0
• Port Nolloth: Provision of street names	R 178 798.09	22
NAMAKWA DISTRICT MUNICIPALITY		
• Construction of Bergsig/Vaalwater Community Centre: Phase 1	R 1 309 928.81	14
• Construction: Paving Namakwa DM Head Office	R 312 298.79	20

Table 2: Summary of NDM capital spent

Municipality	Expenditure	Jobs Created
Hantam Municipality	R 602 905.87	47
Khai Ma Municipality	R 676 572.12	15(plus outstanding info)
Nama Khoi Municipality	No report received	No report received
Kamiesberg Municipality	R 606 675.12	24
Karoo Hoogland Municipality	R 857 286.99	281
Richtersveld Municipality	R 628 333.16	49
Namakwa District Municipality	R1 528 327.80	24

10.4. HUMAN SETTLEMENTS

The district is in the process of getting accreditation for the delivery of low cost housing.

Richtersveld Municipality completed the construction of 90 low cost houses in Port Nolloth. Kamiesberg Municipality is currently busy with the construction of 30 low cost houses in Lepelfontein and 60 in Klipfontein. Khai Ma Municipality is still busy with the construction of 150 low cost houses as part of the “Khai Ma 384 human settlement project”. Hantam Municipality completed servicing of 150 sites at Loeriesfontein and the construction of 72 houses at Niewoudtville. The Brandvlei 60 human settlement project is nearly completed.



Pofadder: Human Settlement

10.5 DISTRICT WATER SECTOR

With the assistance of Provincial Department of Water Affairs, Water Services Development Plans (WSDP) for the entire category B-Municipalities was updated. The Blue Drop assessment indicated that the scores for all the Municipalities more than doubled. Municipalities within the district will be assessed for Green Drop compliance during the next financial year. Water Conservation and Water Demand Management are also being addressed by Municipalities.

10.6 CHALLENGES

For project implementation to achieve the objectives, as set out in the introduction, is not without its challenges. The vast distances between Municipalities within the district, capacity constraints within Municipalities are but a few. Failing to spend the Municipal Infrastructure Grant (MIG) remains one of our biggest challenges. The implementation of projects under the Expanded Public Works Program (EPWP) is challenging. The Project Management Unit of the district is trying to address part of the challenges faced by Municipalities. A District EPWP forum was also established to assist with the challenging aspects of the program.

10.7 BUDGET CONTROL

- Through effective management of the available budget there was no overspending on projects.
- Strict financial control will be enforced for future projects as well.

10.8 FUTURE PLANNING

- Through effective planning we want to improve service delivery.
- Creating more job opportunities through labour intensive construction methods.
- Address challenges to improve production and savings.
- Live out the Batho Pele Principles by putting our people first.

I SMITH
MANAGER: PROJECTS

11.COMMUNITY SERVICES

11.1 ENVIRONMENTAL HEALTH

11.1.1 INTRODUCTION

Environmental Health is a fundamental public health service, which focus on and affects the wellbeing of the whole population. It applies preventative health practices to sustain healthy communities and reduce illnesses associated with environmental factors.

Constitutional mandate: Section 24 of the South African Constitution of 1996 states that: *“Everyone has the right to an environment that is not harmful to his/her health or well being.”*

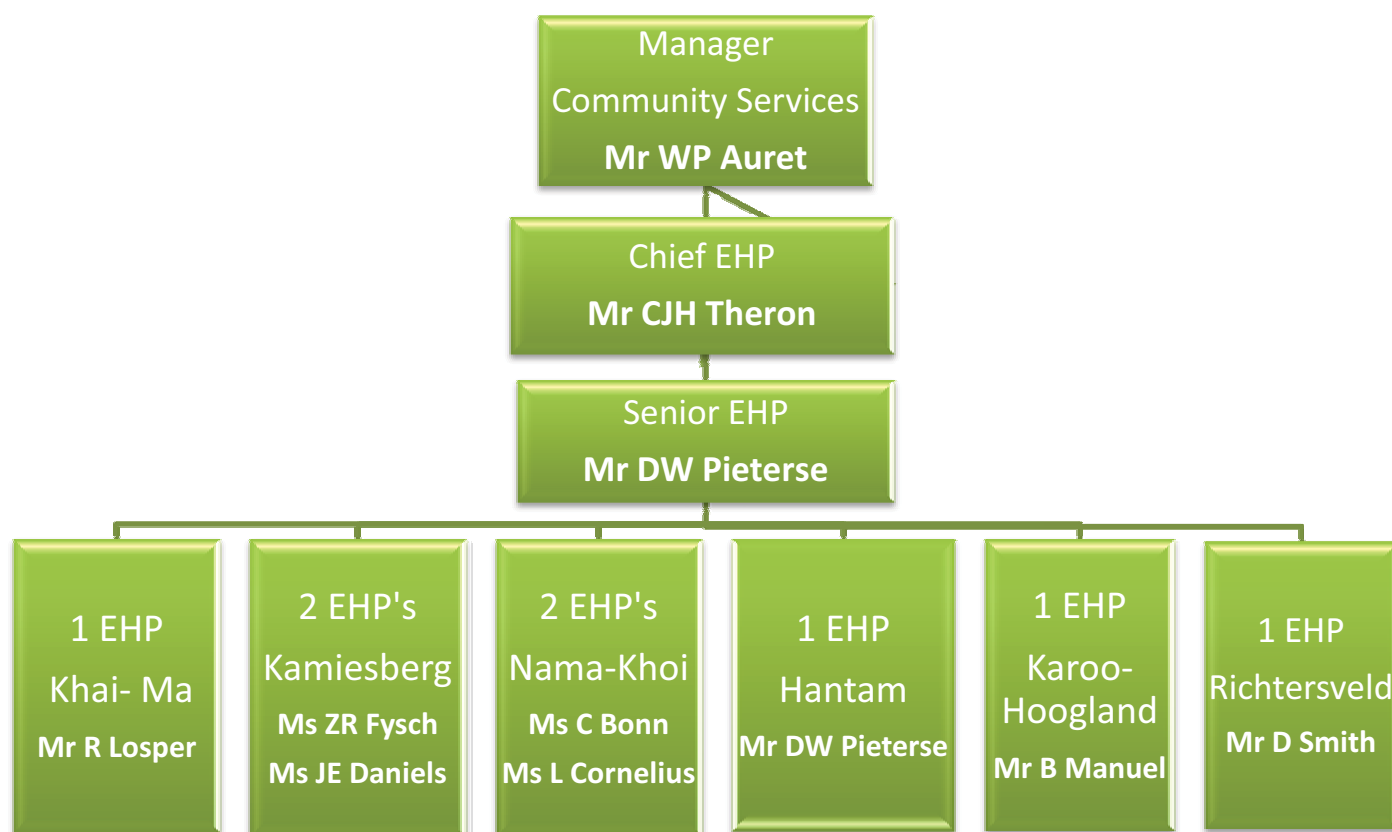
The vision of the Environmental Health division of the Namakwa District Municipality is to present each and every community within the boundaries of the Namakwa district with a clean, healthy environment free from pollution and with good preventative measures to ensure low mortality, by performing the roles and functions as set out in the Health Act 61 of 2003. It includes the following:

1. Water Quality Monitoring
2. Food Control
3. Waste Management
4. Surveillance and Prevention of Communicable Diseases
5. Vector Control
6. Safe and adequate sanitation
7. Environmental Pollution Control
8. Disposal of the dead
9. Chemical Safety
10. Hazardous Substances Control
11. Tobacco Control
12. Ensure clean air
13. Health Care Waste Monitoring.

Environmental Health services are guided by various legislation and policy frameworks including the Constitution of South Africa; the National Health Act; Food Acts; Hazardous Substances Acts; Tobacco Control Acts; Environmental Acts; all applicable legislations and municipal by-laws.

In terms of the above mentioned key performance areas various Intergrated Development Programmes are implemented within the B Municipalities which is reported to the Municipalities on a monthly basis. The execution of the various IDP projects is listed below.

11.2. PERSONNEL STRUCTURE



11.3 DEVOLUTION PROCESS

An article 78 desktop study was completed and approved by Council resolution. The budget of 2010/2011 financial year is approved by council resolution for the implementation of the Devolution process. Environmental Health Services have been taken over by the Namakwa District Municipality. All the Environmental Health services within Namakwa region are now rendered by the Namakwa District Municipality and three new EHP's were appointed. The appointment of a third practitioner at Nama Khoi municipality will be finalized in the 2012/2013 book year.



IDP PROJECTS / KPA

PROJECT NR	PROJECT	ACTIONS TAKEN	TARGETS REACHED
GPO 1	Education on safe sanitation and waste management in the NDM area.	241 Communities, Schools, Businesses, Municipal workers etc.	2239 people
GPO 2	Educate communities in the prevention and treatment of communicable diseases.	234 Clinics, Health workers, Communities, Schools	3551 people
GPO 3	Education on personal health and hygiene in the NDM area.	311 Schools, Crèches, Communities, Businesses	3634 people
GPO 4	Education and evaluation in food safety.	172 Food handlers, Schools, Businesses, Communities	781 people
GPO 5	Water quality monitoring at Water Service Authorities in Namakwa.	241 Water service authorities, Water process controllers	1961 people
GPO 6	2010 FIFA World Cup Soccer.	130 Food handlers/ Committees Venues and accommodation facilities	2300 people

11.4 Environmental Health Calendar

The aim of this calendar is to set a direction for Environmental Health events in the Northern Cape. The themes of this calendar were linked to the Health Awareness Calendar of the National Department of Health.



11.5 WATER MONITORING

Drinking water monitoring is conducted monthly by the Environmental Health Practitioners to ensure safe drinking water to all the communities in the Namakwa District. Approximately 1200 bacteriological and chemical water samples are taken annually in Namakwa. Environmental Health Practitioners are committed in continuously providing guidance and training to municipal officials responsible for water plants. Municipal Water Quality reports are distributed to municipalities and to the Department of Water Affairs. Environmental Health Practitioners Environmental Health Practitioners are actively involved in Blue and Green drop systems of municipalities.

11.6 NATIONAL AND PROVINCIAL HEALTH PROGRAMMES

The Environmental Health division of the Namakwa District participates in various National and Provincial programs of Department of Health.

Food sample run:

Food samples were collected in Namakwa as part of the food sampling run of the Food Control Directorate, National Department of Health.

Health and hygiene programs:

The Environmental health division of Namakwa District submits quarterly reports to Department of Health regarding health and hygiene educational events in Namakwa.

Hazardous and chemical substances:

Environmental Health Practitioners conducted inspection at all premises handling hazardous and chemical substances. These findings as well as cases of chemical poisoning are reported to the Department of Health.

11.7 CO-ORDINATING & LIASING

Environmental Health Forums:

The Namakwa Health forum is chaired by the Environmental Health Practitioners of Namakwa and function extremely well with its own constitution and quarterly meetings. The Namakwa Environmental Health Forum engaged with the various Sector Departments depending on which kind of issues we encountered. The forum also serves as a platform to interact between colleagues, Municipalities, Councillors and different Government Departments where solutions are discussed and information shared. The Namakwa Environmental Health forum is also accredited and registered at the Health Professions Council of South Africa and due to this the EHP's are awarded with Continuous Professional Development Credits (CPD).

The Provincial Environmental Health forum is an extension of the local EHP forum with the same outcomes on Provincial level. The Provincial forums are chaired by the Environmental Health unit of Department of Health and are attended bi – annually.

South- African Institute of Environmental Health (SAIEH):

All Environmental Health Practitioners are members of the Northern Cape branch of SAIEH and two members of Namakwa namely René Fysch who is appointed as the deputy secretary and Denver Smith as the treasurer, are on the management of the institute.

Health Professions council of South Africa:

All Environmental Health Practitioners from Namakwa are registered members of the Health Professions Council of South Africa (HPCSA). Annual fees and compliance with the Continuous Professional Development system of this board are compulsory to all members.

11.8 NAMAKWA PROJECT MANAGEMENT UNIT (PMU)

The Namakwa District Municipality and its B- Municipalities officially conduct a Bi monthly Project Management Unit (PMU)/Water sector forum meeting. An EHP of the Namakwa District Municipality represents environmental health issues on this meeting. Different spheres of government attend this meeting and are represented by COGHSTA, MIG, DEA, DEAT and DWA. The items address in this meeting is all water and sanitation projects and related issues. Health and Hygiene and related issues are also address at this meeting whereas actions are issued to municipalities to address the above mentioned issues within a specific timeframe and report to the forum. Health & Hygiene and Health & Hygiene Related issues reporting templates were designed for EHP's to report to this forum. The District PMU (Project Management Unit) also assist the B – municipalities to address these issue and do research in innovating ideas to rectify these issues.

11.9 DISASTER MANAGEMENT***Vision:***

To enhance and ensure sustainable development in the Namakwa District Municipal area of jurisdiction through effective disaster risk reduction.

Mission:

An integrated, holistic and cost effective approach in Disaster Management ensuring the reduction of disaster, the preparedness of our communities to prevent, mitigate and to respond to disasters in the Namakwa District Municipal area of jurisdiction.

11.9.1 IDP Projects for 2010

- Compilation and execution of a disaster management plan level 2
- Awareness Campaign on possible disaster risks and simulation exercises
- Upgrading of fire fighting services in Namakwa district Municipal area
- Upgrading of radio communication network: NEAR system

The Disaster Management plan for the district consisting out of a level 1 and 2 plan was completed during this year. All the local municipalities was provided with a disk with the framework, risk assessment roles and responsibilities of all line functions and the contingency plans for an incidents.

In general, the following remarks can be made:

It seems if the NDM is more vulnerable to basic services and of a higher priority than the risks associated with natural and man-made disasters. Hence, the alleviation of the vulnerability status of communities, developing and establishing community resilience is a higher priority than the implementation of formal structural and non-structural prevention and mitigation works.

The NDM area of jurisdiction is very vulnerable in terms of the geographical distribution of the area, e.g. long distances between communities, towns and farms, high cost involved in marketing of agricultural products and maintenance of roads and telecommunication systems.

The following basic services are at risk:

Telecommunication: Because of the geographical distribution of the area, most places do not have any telecommunication line, e.g. Telkom lines, Cell phone signals and/or radio communication.

Roads: The road infrastructure, especially all gravel roads in the rural areas are very poor maintained. This situation worsen the vulnerability of communities in the sense that no sufficient and effective health support services can be provided, farmers are at risk to market their agricultural products and even the ability to effectively respond to veld fires.

Water: NDM is very vulnerable to clean water for human consumption. Most water bulk services (pipelines) are very old and are expensive to maintain. Even water from bore holes is of a very bad quality and may not suitable for human consumption, e.g. children and pregnant woman. Bringing water over very long distances further worsen the situation.

Sanitation: Water scarcity also contributes to bad sanitation facilities. Most communities are depending on "Put" systems and are in most cases dangerous for small children, let alone the bad smell and contamination of under ground water systems.

Electricity: There are still communities without any electricity at far away places and even some new households (HOP houses) which do not have yet electricity. In some places, it was mention that insufficient electricity constrains new development, which may have positive impact on economic development of the area.

Health Services: It is shocking to observe the bad health services in the NDM area of jurisdiction. In most cases, insufficient clinic facilities, medical care, ambulance services, medical stock (especially for chronicle sick people) are in the order of the day.

Mine Activities: Not only did the withdrawing of mines left communities in absolute poverty, but also neglect in most cases appropriate rehabilitation of mine sites. Last mentioned becomes a high risk to communities, e.g. in-falling of underground tunnels, open cast mines are full of water causing drowning and even where mines are closed and sealed, local people are breaking-in, stealing steel, cables ext and in some cases getting lost in underground tunnels.

See Rescue: The fact that the NDM forms part of the Northern Cape Province, with its head office in Kimberley brings its own challenges, especially when it comes to specific sea-related issues. The NDM is vulnerable and at risk to a lack of sufficient and effective see rescue services.

Abattoir: In some case photos were taken of unacceptable practices by local abattoirs. This may lead to a further increase of health risk in the NDM area of jurisdiction.

NDM are at risk for the following natural and man-made disasters in general:

Drought: The Northern Cape Province is very vulnerable and at risk to drought. The situation is worsen because of bad farm practices, e.g. over gracing, migration of farmers on communal land to find sufficient water sources and/or gracing.

Floods: Notwithstanding the very dry geographic area of the NDM, some rivers are flooding during raining season, putting communities and water resource infrastructure at risk.

Cyclones / Strong Winds: Strong winds left some houses without roofs and cyclones / tsunami's left communities near the coast line at risk.

Dam Failure: Several dams are identified upstream which are at risk for a potential dam failure, putting towns and communities at flood risk. These dams must be investigated, as in the event of a dam wall failure, no sufficient time is available to release any early warning, nor is there any time for evacuation.

Agri-diseases: Most communities are depending on some agricultural related practices and any agri-disease / epidemic increases the vulnerability of NDM.

Veld Fire: when veld fires do occur, it is very difficult to respond and to bring it under control because of the insufficient road infrastructure and rough terrain / mountainous areas.

Nuclear Waste: A nuclear waste / disposal site is currently present in the NDM area of jurisdiction. Notwithstanding the fact that it has been indicated that these risks are very low, it still remain the responsibility of disaster management to monitor future activities. (see attached table 1)

For each of the six local municipalities and 52 communities a risk profile and maps was compiled. All of these risks must be addressed by their Integrated development plan and Spatial development plan.

NAMAKWA DISTRICT MUNICIPALITY: HAZARD IDENTIFICATION USING INDIGENOUS KNOWLEDGE

Hazard / Risk	Local Municipality					
	Karoo Hoogland	Hantam	Kamiesberg	Nama Khoi	Richtersveld	Khais-Ma
Drought						
Flood						
Wind Storm						
Storms & Cyclone						
Dam Failure						
Hazmat						
Landing Strips: Private						
Aircraft Accidents						
Veld Fire						
Structural Fire						
Snow						
Storm water						
Nuclear Waste						
Lightning						
Soil Erosion						
Vulnerability	Local Municipality					
	Karoo Hoogland	Hantam	Kamiesberg	Nama Khoi	Richtersveld	Khais-Ma
Telecommunication						
Roads						
Water						
Sanitation						
Electricity						
Human Disease						
Health Services						
Agri Disease						
Abattoir						
Poverty						
Ambulance Services						
Mine Activities						
Open Cast Mines						
Dumping Sites						
Shortage of Mortuary						
Shortage of Old Age Houses						
Gas Development						
Rising of Sea Temperatures						
See Rescue Services						

	High
	Medium - High
	Medium
	Medium-Low
	Low

11.9.2 Awareness campaigns and simulation exercises:

The Namakwa District disaster management unit was the only district unit in the Northern Cape that held simulation exercises.

During this year schools was visited and the learners was educated on the different types of disasters. There was also a two day session with all the role players in disaster management to roll out the plan. This included the municipalities, provincial stakeholders, cell phone companies, SAPS and provincial traffic.

During this year of reporting there was also simulation exercises held in different municipalities. The Namakwa District Municipalities administrative offices were also evacuated during a fire exercise. This exercise took place during a meeting of different stakeholders for the Freedom Day Celebrations.

(63 people were evacuated) The Department of Health's office in Springbok was also evacuated during a simulation exercise of a bomb threat. (37 people took part in the exercise)

Each of the exercises that were hold, was examined and a debriefing meeting was held after each exercise to give feedback to the stakeholders that took part in the exercise. The Disaster Management department also started with a program to help different organs of state to compile a evacuation plan for their premises. (schools, clinics, municipalities)



During this year schools was visited and the learners was educated on the different types of disasters.

(Primary School Verneukpan, 21 learners) The Primary School JJ Lambert at Garies was also evacuated during a fire simulation exercise. The whole school and teachers took part.



There was also a two day session with all the role players in disaster management to roll out the Disaster Management plan. This included the six local municipalities, councillors, provincial stakeholders, cell phone companies, SAPS and provincial traffic. (27 delegates)

Home owners of Swartkop was also educated in the use of fire extinguishers where 41 people were trained.

Each of the sector departments that took part in the exercises that were held was evaluated and a debriefing meeting was held after each exercise to give feedback to the stakeholders. Stakeholders that was evaluated was the SAPS, municipal fire brigade, traffic (municipal/provincial), hospitals, clinics, EMS, Forensic services and the control rooms. The total people that took part in this exercises, including patients was 189 people.

The Disaster Management department also started with a programme to help different organs of state to compile evacuation plans for their organisation. (Schools, clinics, municipalities)

11.9.3 Upgrading of fire fighting services:

The district is helping the local municipalities to obtain fire fighting equipment by allocating the fire grant to the municipalities. During simulation exercises that was held the fire brigade services of the municipalities was also evaluated.

A project was also started to educate police officers in fire fighting.(23 officers was trained)



Municipal workers was also trained in the using of Atf's for structural fires. The Disaster management centre also started with a project to refill the ATF's high pressure silinders at the local municipalities.

(67 municipal workers was trained)



11.9.4 Upgrading of radio communication network

This project was completed with 46 radios that were handed out to the municipalities and SAPS office in the Namakwa district. These radios will be used for communication with the control rooms in Springbok and Calvinia.

11.9.5 Orange River floods:

During the end of December 2010 and in January 2011 the Orange River was in flood. During this time all role players was on standby and meetings was held on a regular base. There was no lost of human life. Three citizens of Namibia that was stranded on an island in the Orange River was airlifted by helicpoter to safe ground. Food parcels was delivered to the people of Modderdrift, Vioolsdrift who was cut off from Vioolsdrift for food and medical supplies. The rescue services of Siyanda and the water police unit of Upington help the district during this period. Food parcels was provided by Department of Welfare/ Social services and SASSA.



11.9.6 Control room statistics for the year:

Calvinia Springbok

Radio tests	813	38
Incoming signal tests	84	2
Radio enquiries SAPS	3	18
Telephone enquiries SAPS	1014	821
Radio enquiries farms	32	102
Telephone enquiries farms	46	
Radio enquiries EMS	0	2341
Telephone enquiries EMS	4452	3214
General enquiries/ tourism/ municipal	916	28
Hoax calls	426	7
Firebrigade/Traffic	15	47
Accidents/ Incidents	51	101

These two control rooms are fully functional and operate 24 hours per day. The NEAR system, ambulance radios and Department of Transport radios are also manned by them. The 10177 emergency number Phone calls are also taken by them and they activate the necessary emergency services.



Calvinia Control room officials



Springbok Control room officials

11.9.7 Fire Equipment Grant:

The Fire Grant that was allocated has been divided between the six local municipalities and the district. This year the District Municipality received the amount of R350 000.00. Each Local municipality received an amount of R50 000.00 which is liable to a business plan to the district for the allocated amount for purchasing fire equipment to comply with their needs. Most of the municipalities dispose of the most basic equipment though there are much room for improvement.

NEAR GRANT:

The NEAR grant allocated to the district is a amount of R 754 000,00.

MR WILLEM AURET

MANAGER: COMMUNITY SERVICES

12.PLANNING

1. Introduction

The year 2010/2011 has been a year of challenges facing the Department, but despite this the activities of the Department was successful. The effective implementation of certain projects of the IDPs is still problematic, but shows substantial progress.

There are only 2 staff members in the Department. Department of Transport is in a process of placing 1 Transport Planning Intern at the District Municipality. The Transport Planning Internship Program will start in the financial year 2011/2012.

2. Activities

2.1. IDPs

The District Municipality and 6 B-Municipalities successful completed the IDP Review process with Council approved IDPs. The Department failed to render services and support to the municipalities compared to the past years. However, most municipalities were capable to handle successful IDP processes. The various processes' was initiated and driven by the municipalities, themselves.

The District Municipality held 2 IDP Representative Forum meetings in preparation for the final IDP for 2011/2012.

2.2. PERFORMANCE MANAGEMENT SYSTEMS (PMS)

The Planning Department in cooperation with Department Human Resource is responsible for the implementation of the Organisational PMS/ Service Delivery Budget Implementation Plan (SDBIP) of the District Municipality. The system is utilised successfully by the District Municipality for effective planning and report back mechanism. The Individual PMS is still outstanding, but will be addressed in the financial year 2011/2012.

PMS are on different levels at the various municipalities. The continuous implementation and maintenance of PMS systems in municipalities are still problematic. Most municipalities still needs assistance with the implementation of PMS.

2.3. SPATIAL DEVELOPMENT PLANS (SDFs)

Department of Rural Development initiated a process whereby Municipalities such as Karoo-Hoogland, Kamiesberg, Hantam, Khai-Ma, Richtersveld and Namakwa District compiled SDF's. All 5 municipalities SDF's are completed and approved by their respective Councils whilst the District

Municipality's SDF are still in process. The SDF of the District Municipality will be finalized before June 2012.

2.4. MUNICIPAL SYSTEMS IMPROVEMENT GRANTS (MSIG)

The Department report to COGTA on a monthly basis regarding the expenditure of allocated MSIG funds.

2.5. ADDITIONAL SERVICES

The Department Beplanning has played a critical role in the overall activities of the District Municipality during the past year. The activities of the Department was mainly affected by the functions of the Office of the Acting Municipal Manager placed in the Department.

3. CLOSURE

The progress of the Department was satisfactory during the past year. The new year will bring new challenges and expectations, especially with the newly elected Councils.

The excellent work relations ensured satisfactory work conditions and we consequently express our thanks to the Executive Mayor, Councilors and officials for this situation.

J T LOUBSER
MANAGER: PLANNING

13.ECONOMIC DEVELOPMENT

13.1. INTRODUCTION

In his inaugural State of the Nation Address in June 2009, President Jacob Zuma stated:

“It is my pleasure and honour to highlight the key elements of our programme of action. The creation of decent work will be at the centre of our economic policies and will influence our investment attraction and job creation initiatives. In line with our undertakings, we have to forge ahead to promote a more inclusive economy.”

In response to the Presidents call Ebrahim Patel, Minister of Economic Development, develop the New Growth Path to steer development focussing on the following key sectors:

- Infrastructure
- the agricultural value chain
- the mining value chain
- the green economy
- manufacturing sectors, which are included in IPAP2, and
- tourism and certain high-level services.

The Namakwa District Municipality (NDM) faces unemployment, rising poverty as well as equality and needs to adopt new innovative ways in overcoming these challenges. With a framework in place, an implementation strategy is needed to make it a reality.

13.2. LOCAL ECONOMIC DEVELOPMENT (LED)

The Integrated Development Program (IDP) is the key accepted document that guides the Municipality in its day to day activities. Urban-Econ was appointed by the Namakwa District Municipality to develop LED Strategies for the 6 B-Municipalities, as was identified during the turn-around strategies, namely NamaKhoi, Richtersveld, KhaiMa, Kamiesberg, Hantam as well the Karoo-Hoogland. Once completed, a coordinated effort can be implemented to contribute to development in the sectors as identified by Minister Patel.

13.3. MINING BENEFICIATION

The big mining houses are closing down as a result of the economic slowdown but a number of small miners are still operational in the area. Mineral beneficiation is an area of work that presents much untapped opportunity which has lagged in policy development and implementation.

Namakwa is still mineral rich but as a result of the past no beneficiation took place. In order to address this flaw the Department of Economic Development in conjunction with the Industrial

Development Cooperation (IDC) intends to develop a business plan to determine the feasibility of beneficiating key construction minerals. This will ultimately leads to the establishment of a Mining Hub.

13.4. INVESTMENT POTENTIAL FOR THE NAMAKWA DISTRICT MUNICIPALITY

The area has significant environmental resources (sensitive species, biomes and flora) and has been identified for tourism growth and conservation activities. The area also has a competitive advantage in the renewable energy industry, in that wind, solar, wave and nuclear power have all been identified as potentially successful in the District.

Furthermore, the District is home to the Southern African Large Telescope (SALT) in Sutherland, which is home to the largest single optical telescope in Southern Africa. The clear skies of the area have made expansion of such projects desirable, and the area has been short-listed in the bidding process for NASA's Square Kilometre (SKA) project – a radio telescope project valued at US\$1billion and as much as R500million in foreign investment in South Africa.

The impact for the District would be felt in the aluminium, computer, communications, electronics and steel industries, as well as research and development, transport and accommodation.



Fig1: SALT, Sutherland

13.5. COMPETITIVE ADVANTAGE IN THE ENERGY SECTOR

- Natural Gas plant South of Hondeklipbaai.
- Eskom Nuclear plant: potentially to be constructed at Kleinzee.
- The sunny climate of the area makes private and large-scale solar energy appropriate: it has the highest solar radiation intensity in Southern Africa.
- Large coastal strip: appropriate for wind and wave energy.



Fig2: Wind & Solar Energy



13.6. ECONOMIC HIGHLIGHTS IN THE DISTRICT

- Launching of the Rooibos Tea Manufacturing Plant in Nieuwoudtville
- Vedanta took over Black Mountain Mine from Anglo American, which is responsible for 93% of SA lead production.
- Alluvial diamonds are still to be found in the lower Orange River and offshore of the Namakwa Coast. The sale of De Beers Kleinzee mines to Transhex is a clear indication of that.

13.7. SME DEVELOPMENT

Governments all over the world see SME's as an important vehicle to boost the economy of their countries because of its contribution to job creation. In South Africa we have a low survival rate amongst start-ups coupled with a concentration on survival instead of opportunity entrepreneurs, especially in the Namakwa Region.

A concerted effort is needed from the private and public sectors with the Small Enterprise Development Agency (SEDA), to integrate the small business sector into the mainstream of the economy.

They have presented numerous courses over the last year with specific focus on developing the business skills of entrepreneurs.

13.8. SPECIAL JOB CREATION INTERVENTIONS

The private sector should be spearheading employment creation but with the Expanded Public Works Programme, government intends to create infrastructure as well as employment opportunities in the short to medium term. The following interventions were launch to address poverty in the interim.

Municipality	Nameof Project	Budget	Employment Opportunities	Lifespan
NamaKhoi	Goegap Nature Reserve	R 47 779 942	391	24 months
Richtersveld/Kamiesberg	Working for the Coast (Alexanderbaai – Hondeklipbaai)	R 3 000 000	31	24 months
Hantam	Oorlogskloof Nature Reserve	R 18 764 025	105	24 months
Kamiesberg	Working for the Coast (Namakwa Nature Reserve)	R 5 000 000	65	24 months

Table 1: EPWP projects

The Namakwa District Municipality is an Implementation agent for the Department of Environmental Affairs for its Natural Resource Management Programmes, where it focuses on the removal of alien trees. This program ultimately reclaims agricultural land that improves food security in the country. The NDM is currently negotiating to renew an R11million contract over a period of three years.

This contract will enable the NDM to employ 18 contractors in the Hantam Municipality that should create +/- 200 employment opportunities until 2014.



Fig4: Land is available for agricultural purposes



Fig 5: Water after all these years

13.9. TOURISM

The Namakwa region is known worldwide for its flower spectacle but in order to ensure a steady flow of visitors to the region much more needs to be done to promote our World Heritage site in the Richtersveld, our various Nature Reserves with its biospheres as well as our pristine coastline.

The unit has attended various shows in a bid to showcase our product and treasures of the district namely the annual Indaba in Durban, an International show in Namibia as well as a couple of other local shows. Visitor's figures have increased and yes we might not have had the opportunity to host a soccer playing nation in Namakwa but it played a role in the increase.

It created a platform for us to grow from strength to strength.



Fig 6: Williston Winter Festival



Fig 8: Flowers in bloom, Namakwa



Fig 7: Postbox in Calvinia, was given a facelift

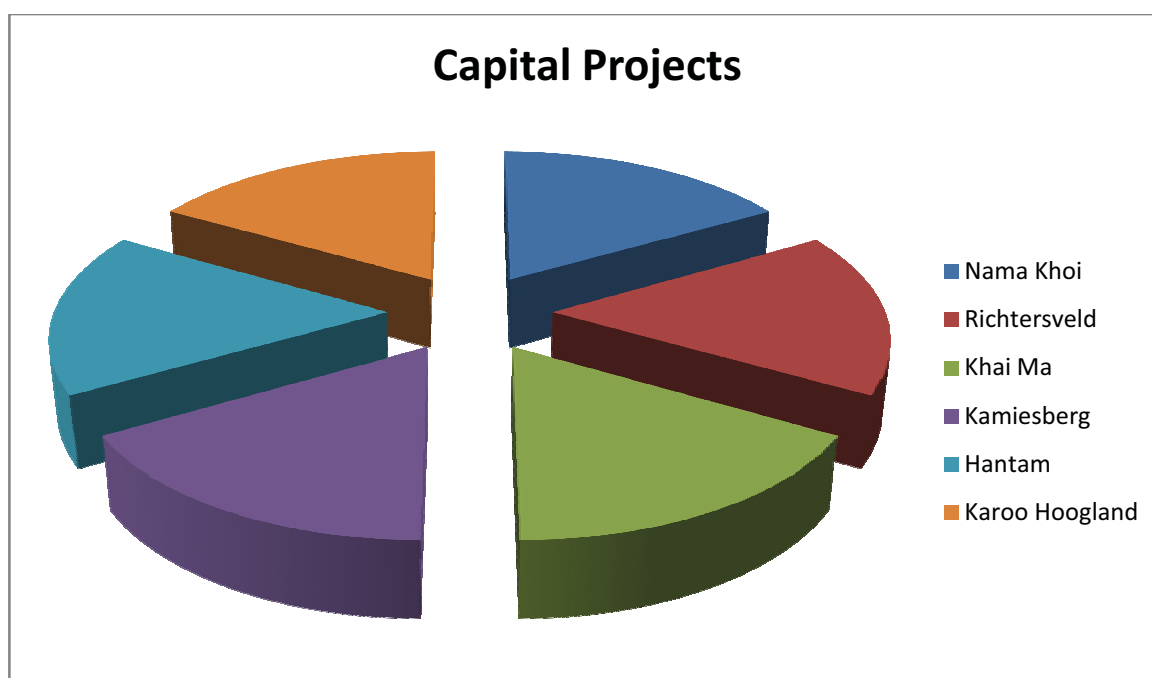
14.BUDGET AND TREASURY OFFICE

The Namakwa District Municipality is continuously adapting to new requirements to sustain its development status. The NDM has succeeded in the preparation and submission of the annual financial statements to the Auditor General in terms of Section 136(1) (a) of the MFMA. Financial statements are drawn up on the requirements of GRAP. It is for the third year in a row that Namakwa District Municipality received an unqualified Audit Report and are working towards a clean audit report.

The Supply Chain Unit is operational and function according approved Legislation and Council Policies.

For the 2010/11 financial year, R5 100 000,00 was budgeted for capital projects in the Local Municipal area of the NDM. The distribution was as follows:

Nama Khoi	R850 000,00
Richtersveld	R850 000,00
Khai Ma	R850 000,00
Kamiesberg	R850 000,00
Hantam	R850 000,00
Karoo Hoogland	R850 000,00

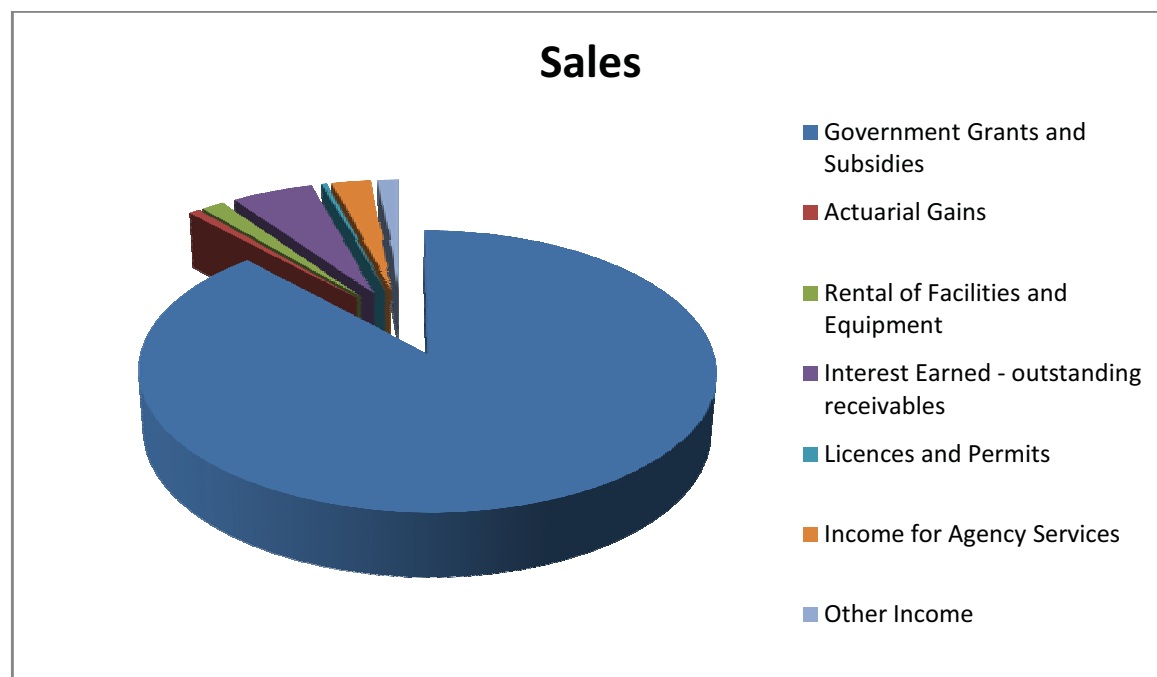


14.1. Equitable Share

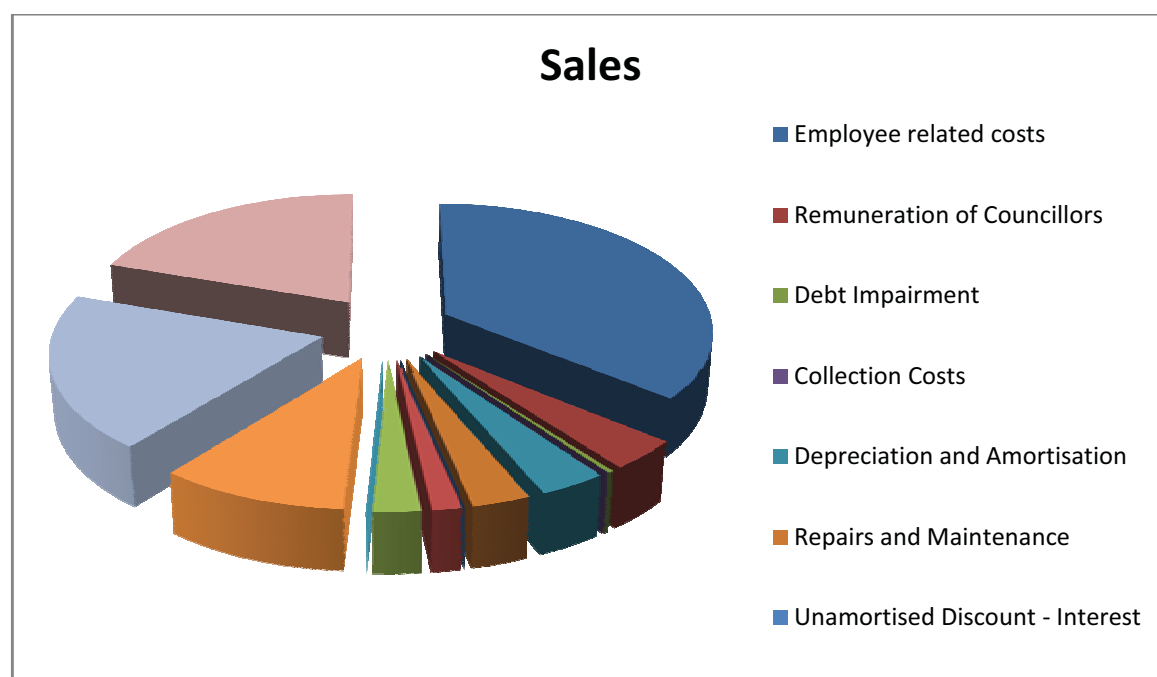
The equitable share is used to provide free basic services to the community of Swartkop.

The budget was draw up on the new prescribed standard of national treasury and adopted by council. The operational budget consists of the following:

Revenue



Expenditure



15. NAMAKWA SKILLS SUMMIT

15.1. Background

The development of human capital was identified as one of the critical priority issues in the District that must be attended to and had to be improved. This was also in line with the National Spatial Development Perspective (NSDP) which suggested that in areas with a lower economic potential investment should be made in human capital.

15.2. Summit day

The Namakwa Skills Summit was therefor held in Okiep at the Namaqualand Training & Technical College (NTTI) and was hosted by the Premier of the Northern Cape and District Municipality Executive Mayor, Mr. Hendrik Visser. The “Namakwa District Municipality Skills Summit” took place on the 6 November 2010. The summit was attended by over 350 participants and was highly successful with keen participation in both plenary sessions and commissions.

The summit was also attended by:

- Members of the Provincial Legislature of the Northern Cape,
- Municipal Mayors,
- Municipal Managers,
- Academics from the University of Stellenbosch and Unisa, Department of Education,
- School principal of the various schools in the Namakwa district,
- and teacher unions including other trade unions learners,
- business representatives
- CEOs and representatives of SETA's ,
- Youth formations,
- SAPF,
- Relevant government departments,
- and residents of the Namakwa District Municipality.



A critical realization from the Summit was that in itself it was only a catalyst and that the hard earned gains that need to be made requires the continued cooperation, struggle and effort of all parties to ensure that.

- the critical issues are addressed
- the appropriate level off resources are mobilized
- the institutional mechanisms are in place to support the intervention
- there is sustainability

15.3. Education challenges in Namakwa

The Summit highlighted the most critical issues faced by the education sector in Namakwa. This includes the following highlighted in the plenary session:

- Lack of access to post school opportunities.
- Loss of hope amongst vulnerable groups – rural, youth, woman, and disability.
- High levels of unemployment and unemployability.
- Fragmentation in the local education sector.
- Lack of coordination and integration.

In view of this reality, the summit explored a broad spectrum of solutions and interventions that could give practical effect to the aspirations of the people of the Namakwa District Municipality including:

- Improved access to information related to opportunities work, training and skills transfer.
- Restore hope and dignity through creating real opportunities and implementing practical solutions.
- Enhance skills sets and improve alignment between available skills sets and requirements of the local economy to address unemployment and unemployability.
- Developing a coherent skills and training framework that respond to the scale of the skills challenge in the district.
- Creating a forum that can improve understanding of all role- players in terms challenges and introduce measures to reduce and overcome fragmentation.
- Enhancing coordination and integration through shared vision for education.
- Improving efforts at joint planning and implementation in the district.
- Creation and/or establishment of dedicated Skills Project Management Office (SPMO) to coordinate, monitor & evaluate, and ensure appropriate capacity to implement an intervention.



15.4. Outcomes

The Summit, as a key initiative of the Namakwa District Municipality, was underpinned by the following outcomes:

- a commitment to work together for a new skills and training dispensation in the district.
- real and practical solutions to challenges faced.
- measurable impact over a defined period of intervention.
- restoring hope amongst vulnerable groups.
- achieving full economic potential of the district.
- targeted growth sectors.



Learners at the Summit



Delegates enjoying refreshments.

15.5. Summit Commissions

There were six commissions in the summit.

They looked at and discussed the following issues with recommendations;

1. Early childhood Development (ECD) and primary schools.
2. High schools, Focus schools and schools of skills.
3. Post schools opportunities for our unemployed youth.
4. Further and higher education as well as SETA opportunities.
5. Reviving arts, culture and sport in our schools and communities.
6. Challenges facing the Youth, substance abuse, crime and rehabilitation.



Radio NFM – Speaker of the Legislature Mr. Boeboe van Wyk.



Delegates during a break.

15.6. Way Forward

The Namakwa District Municipality Education Summit created a watershed and an historic moment that must be leveraged to create a lasting legacy through:

- restoring hope and dignity.
- creating opportunities for decent work, skills development and training.
- intensifying development impact through targeting vulnerable groups: learners,
- youth, women and disabled.
- intervening in the economy through engaging business and other important sectors
- creating institutional framework that supports sustainability and long-term value
- creation.
- positively contribution towards positioning Namakwa District Municipality as model of
- progressive, intervention through a skills revolution that impacts the national development agenda.

Some of the practical and critical steps to achieve the above includes the following:

- Establishment of the Namakwa District Municipality Skills Steering Committee.
- Establishment/appointment of Project Management Office (PMO).
- Creating clear mechanisms for Monitoring and Evaluation (M&E) at all levels.
- Formulation of a communication Strategy that keeps all stakeholders abreast of progress and development.

15.7. Conclusion

The implementation of the recommendations, together with all relevant parties, will ensure that the Namakwa District fulfill its developmental function in terms of the educational development of its population.

16.ANNUAL PERFORMANCE REPORT

16.1. INTRODUCTION

The role of Local Government has grown enormously over the past years as basic infrastructure and service provision is best delivered at the most decentralised level of Government. The challenge facing municipalities now is to deliver better services in the context of performance management, monitoring and evaluation.

In view of the above, Namakwa District Municipality has a responsibility to ensure services are delivered in an efficient, effective, sustainable and affordable manner. In order to do this, the District Municipality must have some way of measuring the successes, failures and progress achieved in the pursuit of objectives.

The Namakwa District Municipality introduced a newly upgraded electronic Performance Management System and/or Service Delivery Budget Implementation Plan (SDBIP) in the 2010/2011 financial year. It becomes a useful tool to those in the Municipality who are responsible for the management of monitoring actions and the effective conduct of evaluation exercises.

16.2. Challenges

The Namakwa District Municipality continuously developed the Performance Management System since 2002 after being identified as the national pilot of the Performance Management. The challenges facing the municipality in the past in terms of PMS are:

- The measure of performance tends to be objective rather than accurate.
- The filling of critical vacancies results in a delay of the Performance Management process.
- The delayed job evaluation process was hampering the development of the Individual PMS.
- Key Performance Indicators (KPI's) tends to be not specific, measurable and achievable.
- Capacity building/training of officials in terms of PMS.
- The linking of the budget and the SDBIP.
- The buy-in of crucial stakeholders in the PMS process.
- Proper SDBIP planning was not done as it should have been.

16.3. Improvements

Despite the challenges faced in the past the Performance Management System improved over the financial year 2010/2011 with the introduction of a newly upgraded system. The following key improvements can be mentioned:

- The involvement at managerial level has risen to a higher level.
- The KPI's have become more realistic, measurable and achievable.
- The job evaluation process is completed and the focus in the next financial year will be on the development of the Individual PMS.
- The training of managers and PMS administrative staff will be extending in the next financial year with specific focus on budget/SDBIP linkage and Individual Performance Management.

Better and improved SDBIP planning for 2011/2012 was compiled and approved by the Executive Mayor

ANNUAL PERFORMANCE INFORMATION

KEY PERFORMANCE INDICATOR	MEASURE	ACTUAL	RESULT	REASONS	REMEDIAL ACTION
INSTITUTIONAL DEVELOPMENT: DEPARTMENT HUMAN RESOURCE					
Public communication systems - Upgrading of the website (Dec 2010) % of Website updates	% of website updates	Draft website available	Performance not fully effective	Website is not finish yet.	The quotation was approved in October 2010 and since then the upgrading of the website is in working progress.
Complaints management systems – Revival of Batho Pele Committee	Number of complaints received and attended to	No complaints received	Performance not fully effective	Non-functional Batho Pele committee	Revival of Batho Pele Committee. Buy-in of Management
Front desk interface-Training front desk staff	Training Invitation Training to took place 31 December 2010	Training took place end of June 2011	Unacceptable performance	Late appointment of Service Provider	Speed up of procurement process
National Key Performance Indicator	(NKPI-5) The number of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality approved employment equity plan	70% (14 of 20)	Fully effective		
National Key Performance Indicator	NKPI-6) The percentage of a municipality's budget actually spent on implementation on its workplace skills plan.	86.5% spend on WSP	Fully effective	100% not reached due to no quotations received for 3 courses	To spend 100% in next financial year
Recruitment and selection of vacant positions that has been budgeted for after approval has been granted for advertising	% of adverts placed versus requested	Advertisements place of EHP's, CFO, Municipal Manager and Senior Manager: Economic Development & Internal Auditor	Fully effective		

KEY PERFORMANCE INDICATOR	MEASURE	ACTUAL	RESULT	REASONS	REMEDIAL ACTION
Recruitment and selection of vacant positions that has been budgeted for after approval has been granted for advertising	Number of qualified candidate compared to resumes.	Short listing of all advertised posts was done.	Fully effective		
Recruitment and selection of vacant positions that has been budgeted for after approval has been granted for advertising	Number of new hires achieving 6 months service.	3 persons permanently employed, 2 employees waiting on council approval	Fully effective		
Recruitment and selection of vacant positions that has been budgeted for after approval has been granted for advertising	% of new appointments completed an Induction programme	3 persons received induction	Fully effective		
Assist with effective management of Labour relations issues (disciplinary cases, grievances, disputes & LLF)	% of disciplinary hearings facilitated as what was required	100% disciplinary hearing facilitated	Fully effective		
Ensure that all Council resolutions assigned to our Department are executed/received attention after such decision is forwarded by the Municipal Manager	Number of Council resolutions implemented	All Council resolutions implemented	Fully effective		
Ensure that all correspondence marked out to the Management HR receives attention within three (3) working days after receipt from the Registration office	Task received and tasks completed	Comply within 3 working days	Fully effective		
Complete and submit training reports	No of training reports submitted	12 Reports submitted	Fully effective		
Assist B-Municipalities with completion of WSP, monthly reports and ATR	% requested attended to	1 request received from Karoo-Hoogland Municipality	Fully effective		
Revision of Employment Equity Plan	Council approved EE plan	Council approved EE plan at Council meeting of 27 November 2010	Fully effective		

KEY PERFORMANCE INDICATOR	MEASURE	ACTUAL	RESULT	REASONS	REMEDIAL ACTION
Compile and submit Employment Equity Report in terms of Legislation to Department of Labour	Completed EE Report	Report was electronically submitted on time	Fully effective		
Assist with effective management of Labour relations issues (disciplinary cases, grievances, disputes & LLF)	Progress of grievances recorded	All grievances was recorded	Fully effective		
Assist with effective management of Labour relations issues (disciplinary cases, grievances, disputes & LLF)	Attend all conciliation hearings when notified of date	Attended all conciliation hearings	Fully effective		
Capture approved leave forms	% of leave forms captured/updated register	All leave was captured on time	Fully effective		
Submission of Council reports and agenda items one month before Council meetings	% submitted on time	100% submitted	Fully effective		
Assist with effective management of Labour relations issues (disciplinary cases, grievances, disputes & LLF)	No of LLF meetings attended	No meetings was held	Unacceptable performance	Unavailability of councillors due to local election campaign, reps of Council not appointed	Held regular LLF meetings on a monthly basis in line with the ORA.
Organise staff/info meetings 4 times a year in Springbok, Calvinia and Fraserburg	Number of meetings held	Regular meetings was not held in all towns	Performance not fully effective	Due to other commitments of the Manager: Human Resource	Ensure that meetings take place once a year.
Drafting and submitting of Skills Development Plan	Complete WSP and submit two signed copies to LGSETA	Submitted WSP on time	Fully effective		
Implementation of planned training in WSP by assisting with the procurement of training providers	% requested handled	No requested received from B-Municipality	N/A		
Complete and submit annual training report	1 training report	Annual training report submitted	Fully effective		
Prepare year planner	Finalise calendar	Final draft available, but not yet printed	Performance not fully effective	All information not received on time	Follow-up with relevant persons

KEY PERFORMANCE INDICATOR	MEASURE	ACTUAL	RESULT	REASONS	REMEDIAL ACTION
Recruitment, selection and suspension of employees – approval of recruitment and selection policy	Vacancies (top 4 – MM, CFO, Planner & Engineer)	CFO appointed on 01 June 2011, MM not yet appointed	Performance not fully effective	Waiting on assistance from COGHSTA and SALGA for finalisation	Follow-up with relevant departments
Continuous monitoring of departmental expenditure against budget	Expenditure variance %	No overspending of budget	Fully effective		
Conduct departmental meetings	4 meetings (quarterly)	Information sessions took place, but not documented as formal.	Performance not fully effective	Minutes not taken	Minutes to be taken for evidence purposes
Effective Performance Measurement	No of performance measurement sessions completed	4 performance measurements completed	Fully effective		
Training of personnel	No of scheduled training events completed	9 training interventions take place	Fully effective		
INSTITUTIONAL DEVELOPMENT: DEPARTMENT ADMINISTRATION					
Review and technical/legal editing of all Council policies	Administrative policy review	The policy was reviewed at Council meeting of 26 August 2010 and editing was done by Dept Sport, Arts and Culture	Fully effective		
Timely compilation and distribution of agendas and minutes for all council meetings within 14 days prior to the meetings	% on time distributions	100% distributions of agendas and minutes	Fully effective		
The compilation and the capturing of Council resolution register and submission thereof to the Municipal Manager	Updated Council Resolution Register	Council Resolution Register updated between 1 and 7 days after meeting	Outstanding performance		
Timely compilation and distribution of agendas and minutes for all management meetings by 4 day after the meeting	% on time distributions	Minutes distributed between 2 and 4 days after meeting	Outstanding performance		

KEY PERFORMANCE INDICATOR	MEASURE	ACTUAL	RESULT	REASONS	REMEDIAL ACTION
Incoming correspondence (letters, facsimiles, e-mail, memorandums)	% distributed within 1 day	100 distribution of all correspondence distribute timely	Fully effective		
Application for Disposal Authority for all closed files and act according to guidelines as prescribed	% requests attended to	Annual disposal of records was done	Fully effective		
Compile, update and maintain contract register and other relevant register	% of contract registers updated	Fully updated register	Fully effective		
Continuous monitoring of departmental expenditure against budget	Expenditure variance %	No overspending of budget	Fully effective		
Conduct departmental meetings	4 meetings (quarterly)	3 meetings was held	Performance not fully effective		
Effective Performance Measurement	No of performance measurement sessions completed	4 performance measurements completed	Fully effective		
Ensure that all correspondence marked out to the Manager of the Department receives attention after receipt for the Registration	No of days	Comply within 3 working days	Fully effective		
Training of personnel	No of scheduled training events completed	6 training interventions take place	Fully effective		
INSTITUTIONAL DEVELOPMENT: DEPARTMENT FINANCE					
Submission of the financial section of the annual reports as prescribed in the MFMA	Financial Section of Annual Report	Completed	Fully effective		
MFMA reports to Council, National Treasury and Provincial Treasury	Monthly Report	Monthly 71 reports submitted to National Treasury, Provincial Treasury and Council	Fully effective		
MFMA quarterly reports to Council, National Treasury and Provincial Treasury	Quarterly Report	Quarterly reports submitted to relevant stakeholders	Fully effective		

KEY PERFORMANCE INDICATOR	MEASURE	ACTUAL	RESULT	REASONS	REMEDIAL ACTION
Bank reconciliations completed	No of recons completed	Monthly recons was done	Fully effective		
Cash received (direct deposits) administration	No of direct deposits not receipted as a % of total direct deposits	Done on a daily basis	Fully effective		
Insurance of all assets	Insurance policy confirming insurance of assets	Updated insurance policy	Fully effective		
Investment Register	Maintained Investment Register	Updated Investment Register	Fully effective		
Billing Administration	Timeous rendering monthly accounts	Accounts send out on a monthly accounts on/or before the 7 th of each month	Fully effective		
National Key Indicator	(NKP1-3) The percentage of the municipality's capital budget actually spent on capital projects identified for a particular financial year in terms of the municipality's IDP	To be included in the Annual Financial Statements	N/A		
National Key Indicator	(NKP17) Financial viability as expressed by ratio: DEBT COVERAGE	To be included in the Annual Financial Statements	N/A		
National Key Indicator	(NKP12) Percentage of households earning less than (2xold age grant) per month with imputed expenditure with access to basic services	To be included in the Annual Financial Statements	N/A		
Ensure implementation of the supply chain management regulations and approved policy i.t.o procurement goods and services	Quarterly Report on the Implementation of supply chain management	Submitted quarterly reports to Council	Fully effective		

KEY PERFORMANCE INDICATOR	MEASURE	ACTUAL	RESULT	REASONS	REMEDIAL ACTION
Ensure implementation of the supply chain management regulations and approved policy i.t.o procurement goods and services	Report to National and Provincial Treasury on contracts awarded above R 100k	Monthly reports submitted to National and Provincial Treasury	Fully effective		
Ensure implementation of the supply chain management regulations and approved policy i.t.o procurement goods and services	Tender evaluation report	Tender evaluation report per tender compiled	Fully effective		
Ensure implementation of the supply chain management regulations and approved policy i.t.o procurement goods and services	Quotation evaluation report	Tender report per quotations compiled	Fully effective		
Timeously preparation and submission of Annual Financial Statements to the Auditor General	Completed Annual Financial Statements	AFS submitted to AG on 31 August 2010	Fully effective		
Coordinate queries form Auditor General	% of Audit queries attended to	All queries attended to and submitted in writing to AG	Fully effective		
Implementation of AG recommendations	Action Plan	Action plan compiled and are implemented	Fully effective		
National Key Performance Indicator	(NKP17b) Financial viability as expressed by ratios: OUTSTANDING SERVICE DEBTORS TO REVENUE	To be included in the Annual Financial Statements	N/A		
National Key Performance Indicator	(NKP17c) Financial viability as expressed by ratios: COST COVERAGE	To be included in the Annual Financial Statements	N/A		

KEY PERFORMANCE INDICATOR	MEASURE	ACTUAL	RESULT	REASONS	REMEDIAL ACTION
Timeously approval of annual budget as per required timeframes of MFMA	Approved Budget	Council approved budget on 21 April 2011	Fully effective		
Timeously approval of annual budget as per required timeframes of MFMA	Submission of budget to NT, PT & other stakeholders	Approved budget submitted to NT & PT	Fully effective		
Budget reports	Monthly variance reports to departments	Managers of departments has access to VENUS financial system	Fully effective		
Develop and implemented a Property Rates policy	Develop a property rates policy	Council approved Property Rates policy in place	Fully effective		
Annual review and development of other applicable revenue policies required per MFMA	Number of revenue policies developed and reviewed	Policy was reviewed and approved	Fully effective		
Attend financial committee meetings	Attendance register and minutes of meetings	All meetings was held	Fully effective		
Continuous monitoring of departmental expenditure against budget	Expenditure variance %	No overspending of budget	Fully effective		
Apply an effective cash flow and investment management as per approved policy requirement	Monthly cash flow and investment management report	Investment Register updated on a monthly basis and submitted on to Council quarterly	Fully effective		
Conduct departmental meetings	4 meetings (quarterly)	2 meetings were held for the year.	Performance not fully effective	Regular meeting was not held due to vacancy of CFO	Newly appointed CFO to held regular meetings

KEY PERFORMANCE INDICATOR	MEASURE	ACTUAL	RESULT	REASONS	REMEDIAL ACTION
Effective Performance Measurement	No of performance measurement sessions completed	4 performance measurements completed	Fully effective		
Ensure that all correspondence marked out to the Manager of the Department receives attention after receipt for the Registration	No of days	Correspondence was not attended to within 3 working days in Q1 and Q4	Performance not fully effective		
Training of personnel	No of scheduled training events completed	3 training interventions take place	Fully effective		
Review and approval of LED plan	Approved LED plan	LED plan was approved November 2009	Fully effective		
Implementation of LED plan	Quarterly report on implementation	Q3 and Q4 reports not submitted to Council	Performance not fully effective	No Council meeting held in Q3 due to local government elections	Outstanding reports to be submitted to Council on 25 August 2011.
ECONOMIC DEVELOPMENT & PROJECTS: DEPARTMENT ECONOMIC DEVELOPMENT					
Tourism shows	Attendance of exhibitions/shows	6 shows attended	Fully effective		
Marketing Tourism statistics	Monthly report on Tourism statistics	Tourism statistics kept on monthly basis	Fully effective		
Facilitation of quarterly LED forum meetings with stakeholders/future partners (District LED meetings)	% progress on the Namakwa Farmers in the PGDS project, Land care and CASP	Non-attendance of Department Agriculture and Rural Development at LED Forum	Unacceptable performance	No reports from Department of Agriculture and Rural Development at LED forum	Ensure that reports are submitted on time and physical visit by LED manager to Department of Agriculture and
Facilitation of quarterly LED forum meetings with stakeholders/future partners (District LED meetings)	% progress on the capacity building programs for NGOs and CBOs, DEA social responsibility programme and LED learnerships before June 2011	No approval was granted to NDM for LED learnerships	N/A		

KEY PERFORMANCE INDICATOR	MEASURE	ACTUAL	RESULT	REASONS	REMEDIAL ACTION
Facilitation of quarterly LED forum meetings with stakeholders/future partners (District LED meetings)	% Progress on the establishment of an access control system to the coastline and 4 campsites before June 2011	Report outstanding	Performance not fully effective		Requested report from De Beers.
The implementation of the contract with DWAF (WC) before June 2011 (Reporting on jobs created)	Amount of (85% of 9 million) R 7,6 million spend on poverty alleviation by March 2010. A further 25% of undefined amount spend for Q4.	Report submitted by Projects Manager to LED manager	Fully effective		
The implementation of the contract with DWAF (WC) before June 2011 (Reporting on jobs created)	The eradication of (85% of 1934.1) 1450.6 initial hectares prosopis between Calvinia and Nieuwoudtville by March 2010. A further 25% of undefined follow-ups for Q4.	Report submitted by Projects Manager to LED manager	Fully effective		
The implementation of the contract with DWAF (WC) before June 2011 (Reporting on jobs created)	Conduct follow-up of (85% of 4499.6) 3366.45 hectares already cleared by March 2010. A further 25% of undefined employment persons days for Q4.	Report submitted by Projects Manager to LED manager	Fully effective		
The implementation of the contract with DWAF (WC) before June 2011 (Reporting on jobs created)	Employment of (85% of 30690) 23018.5 persons days by March 2010. A further 25% of undefined employment persons days for Q4.	Report submitted by Projects Manager to LED manager	Fully effective		
Poverty Alleviation and Small Business Enterprise Development – Quarterly Reporting	Ensure that entity is established.	Namda not functional	Performance not fully effective	Legal action which includes investigations must take place and forensic audit	Political intervention required.

KEY PERFORMANCE INDICATOR	MEASURE	ACTUAL	RESULT	REASONS	REMEDIAL ACTION
Poverty Alleviation and Small Business Enterprise Development – Quarterly Reporting	Ensure training and mentoring (Business development for SMMIEs with SEDA)	SEDA submitted report in Q4 to LED manager	Fully effective		
LEAP: Living Edge Tourism and Environment Cluster sustainability study be done before June 2011	Status Report	Official Status Report not yet available	Performance not fully effective	CEO of Conservation SA is out of country	Follow-up with CEO.
World Cup 2010 – Tourism Sector: Securing investment before July 2010.	The development of 52 Community Viewing Areas	Completed. Status report was adopted by Council on 26 August 2010	Fully effective		
World Cup 2010 – Tourism Sector: Securing investment before July 2010.	The development of 1 Central PVA area	Completed. Status report was adopted by Council on 26 August 2010	Fully effective		
Continuous monitoring of departmental expenditure against budget	Expenditure variance %	No overspending of budget	Fully effective		
Conduct departmental meetings	4 meetings (quarterly)	Only 1 meeting was held for the year	Unacceptable performance	Regular meeting was not held due to vacancy of Manager	Newly appointed Manager to held regular meetings
Effective Performance Measurement	No of performance measurement sessions completed	4 performance measurements completed	Fully effective		
Ensure that all correspondence marked out to the Manager of the Department receives attention after receipt for the Registration	No of days	Comply within 3 working days	Fully effective		
Training of personnel	No of scheduled training events completed	3 training interventions take place	Fully effective		
ECONOMIC DEVELOPMENT AND PROJECTS: DEPARTMENT PROJECTS					
Repair of 33 houses (Hondeklipbay)	% completed – construction	Completed	Fully effective		
Repair of 33 houses (Hondeklipbay)	Close out report (happy letter)	Completed	Fully effective		

KEY PERFORMANCE INDICATOR	MEASURE	ACTUAL	RESULT	REASONS	REMEDIAL ACTION
Bergsig/Vaalwater MPRC	Tender documentation & procurement	Completed	Fully effective		
Bergsig/Vaalwater MPRC	Construction (Project started in previous financial year)	Completed	Fully effective		
Comply with Blue Drop certification – Swartkop	% blue drop compliance	38% initial scoring ($\pm 10\%$ increase) = 52%	Unacceptable performance	Not enough capacitated staff	Continuous on the job training
Pofadder Bulk Water	Meeting attended versus requested	2 meetings attended as per invitation	Fully effective		
Repair of Nouriver Damwall	Appointment of Service Provider for investigation of rehabilitation of dam wall	No progress	Performance not fully effective	Not enough capacitated staff	Continuous on the job training
Repair of Nouriver Damwall	Submission of technical report	Technical Report from Department of Water Affairs was tabled to Council	Fully effective		
Paving at NDM Head Office	% completion of project	Completed	Fully effective		
Compile Free Basic Sanitation Policy	Completed policy	5 % completed	Performance not fully effective	Not enough capacitated staff	Continuous on the job training
Operation & Maintenance plan in place for Swartkop	Plan in place	30% completed. Swartskop will full under Hantam Municipality after the local government elections	N/A		
Effective Performance Measurement	No of performance measurement sessions completed	4 performance measurements completed	Fully effective		
Continuous monitoring of departmental expenditure against budget	Expenditure variance %	Overspending. PMU appointments not budgeted for.	Performance not fully effective	Manager has no access to Venus Financial System	Access to Venus financial system as soon as possible. PMU budget will be included in financial year 2011/12
Conduct departmental meetings	Number of departmental meetings	11 meetings held for the year	Performance significant above expectations		

KEY PERFORMANCE INDICATOR	MEASURE	ACTUAL	RESULT	REASONS	REMEDIAL ACTION
Ensure that all correspondence marked out to the Manager of the Department receives attention after receipt for the Registration	No of days	Comply within 3 working days	Fully effective		
Training of personnel	No of scheduled training events completed	2 training interventions take place	Fully effective		
SOCIAL DEVELOPMENT: ENVIRONMENTAL HEALTH					
Project no. GP01 – Education in Waste Management in Namakwa District	No of education programmes to communities, schools, etc.	241 actions and 2239 people reached	Fully effective		
Project no. GP05 – Water Quality Monitoring at Water Service Authorisation in Namakwa	No of sampling points visited	221 actions and 1961 people reached	Fully effective		
Project No GP04 – Education on personal health and hygiene in Namakwa District Municipal Area	No of Education programmes to communities, schools, etc.	331 actions and 3030 people reached	Fully effective		
Project No. GP03 – Prevent spread of diseases through education of 100% of identified cases by June 2011	No of community health workers supported	265 actions and 2374 people reached	Fully effective		
Project no GP04 – Formal food vendors, school feeding schemes, accommodation establishments and households to comply with minimum health standards by June 2011.	No of visits per quarter	172 actions and 781 people reached	Fully effective		
Project no GP05 – Education and training of WSA's and communities in the uses of safe water	No of programmes per quarter	221 actions and 1664 people reached	Fully effective		

KEY PERFORMANCE INDICATOR	MEASURE	ACTUAL	RESULT	REASONS	REMEDIAL ACTION
Project no GP05- Water quality management meetings	No of Water Quality Meetings held	4 meetings attended	Fully effective		
Continuous monitoring of departmental expenditure against budget	Expenditure variance %	No overspending of budget	Fully effective		
Conduct departmental meetings	No of scheduled meetings	Held departmental meetings on bi-weekly basis	Fully effective		
Effective Performance Measurement	No of performance measurement sessions completed	4 performance measurements completed	Fully effective		
Ensure that all correspondence marked out to the Manager of the Department receives attention after receipt for the Registration	No of days	Comply within 3 working days	Fully effective		
Training of personnel	No of scheduled training events completed	7 training interventions take place	Fully effective		
SOCIAL DEVELOPMENT: SPECIAL PROGRAMMES					
Ensure that all structures relate to MRM are in place in all B-Municipalities by December 2010	No of consultation processes identify all important stakeholders	MRM structures are place in all Municipalities. This was an internal process in municipalities	Fully effective		
The establishment of policies for MRM, Youth, Children, Women and Disabled persons in all B-municipalities by June 2011	Consultation with all relevant stakeholders	Consultation sessions was held with stakeholders	Fully effective		
The establishment of policies for MRM, Youth, Children, Women and Disabled persons in all B-municipalities by June 2011	Adoption of policy document – council implementation	No adoption of policies at B-Municipalities	Performance not fully effective	No officials appointed at local level for special programmes which result in delay of the adoption process	Intervention of newly appointed Mayors

KEY PERFORMANCE INDICATOR	MEASURE	ACTUAL	RESULT	REASONS	REMEDIAL ACTION
SOCIAL DEVELOPMENT: DISASTER MANAGEMENT					
Disaster Control	Regional Disaster Management Plan	Framework and Plan are completed, but must be consultate with local municipalities	Performance not fully effective	Due to non-submission of information from local municipalities to the Service Provider	Engagements and physical visits to all B-Municipalities that did not submitted information.
Disaster Control	Quarterly incident reports to Council and Provincial Department	Quarterly reports submitted to Council and Provincial Department (COGHSTA)	Fully effective		
Project no. GP09-Procurement of fire fighting equipment	% of planned deliveries of equipment to B-Municipalities	All municipalities received grants, only Nama Khoi outstanding to purchase equipment	Performance not fully effective	Due to non-submission of invoices no payments can be done	Follow-up with Nama Khoi Municipality
Project no GP09-Training and awareness of fire fighting equipment	No of training sessions completed versus requested	11 training sessions was held	Fully effective		
Project no GO 07 – Awareness campaign on possible disaster risks	No of awareness campaigns implemented in 2010/2011 financial year	24 campaigns held	Fully effective		
Project no GP 08 – To finalise compilation and implementation of a disaster management plan as prescribed by act by June 2012	Completion of Disaster Management Plan	Framework and Plan are completed, but must be consultate with local municipalities. Phase 2 will be implemented in 2011/12 financial year	Performance not fully effective	Due to non-submission of information from local municipalities to the Service Provider	Engagements and physical visits to all B-Municipalities not submitting information.
Project no GO 10 – Establish and upgrade of radio communication network through 45 radios in B-Municipalities before June 2011	Number of the 45 radios	Completed	Fully effective		
Continuous monitoring of departmental expenditure against budget	Expenditure variance %	No overspending of budget	Fully effective		

KEY PERFORMANCE INDICATOR	MEASURE	ACTUAL	RESULT	REASONS	REMEDIAL ACTION
Effective Performance Measurement	No of performance measurement sessions completed	4 performance measurements completed	Fully effective		
Ensure that all correspondence marked out to the Manager of the Department receives attention after receipt for the Registration	No of days	No access to IMIS system, but correspondence is send to Disaster Manager via e-mail/ Fax.	Performance not fully effective	No access to IMIS	IMIS to be installed in next financial year.
Training of personnel	No of scheduled training events completed	2 training interventions take place	Fully effective		
ROADS: ROADS OFFICE					
EPWP projects	Monthly reports	Kamdanie & Haasrivier project completed. Report submitted to Council on 01/03/2011	Fully effective		
Reporting to Department of Transport (DOT)	Number of reports submitted	Monthly reports was submitted to DOT	Fully effective		
Site meetings	Monthly site meeting report	In Q1 30 site inspections was done by Manager: Roads while projects was running	Fully effective		
ROADS: ROADS MAINTENANCE					
Grading of roads	40000 km of roads to be graded	Not completed	Performance not fully effective	Poor availability of equipment and staff.	Transfer of Roads function to DOT
Compile maintenance plan	Maintenance plan (business plan) developed	Maintenance plan is in place	Fully effective		
Blading of gravel roads	% availability of graders	40% availability	Performance not fully effective	Poor mechanical condition of graders and long distances to and from depot.	To purchase new graders
Regravelling of Road –MR316 (Ceres-Karoo pad) completed in September 2010	10 km roads by 30 Sept 2010	10 km road completed	Fully effective		

KEY PERFORMANCE INDICATOR	MEASURE	ACTUAL	RESULT	REASONS	REMEDIAL ACTION
Regravelling of Road –MR756 (Raap en Skraap 38 km Road)	% completion of project – no of kilometres	Completed	Fully effective		
Regravelling of Road – DR2250 (Gannaga Paas- 8 km)	% completion of project – no of kilometres	Completed	Fully effective		
Regraveling of Road – Studters Pass- 14 km)	% completion of project – no of kilometres	Completed	Fully effective		
Continuous monitoring of departmental expenditure against budget	Expenditure variance %	No overspending of budget	Fully effective		
Conduct departmental meetings	No of scheduled meetings	Regular departmental meetings was not held	Performance not fully effective		
Effective Performance Measurement	No of performance measurement sessions completed	4 performance measurements completed	Fully effective		
Ensure that all correspondence marked out to the Manager of the Department receives attention after receipt for the Registration	No of days	In Q1 & Q2 have no access to IMIS system, but comply within 3 working days	Performance not fully effective		
Training of personnel	No of scheduled training events completed	1 training interventions take place	Fully effective		
ROADS: WORKSHOP					
Availability of vehicles	% of time vehicles is available for use of 6 caravans + 6 water tanks	6 caravans and 6 water tanks in working condition	Fully effective		
MSS system	System updated on a monthly basis	System out of order	Unacceptable performance	System not working and have a backlog of one year	Reported to DOT and they are working on the problem.
Service plan for vehicles, plant and equipment	Vehicles service according to the Service planed	2 bakkies 60 000 km services, 2 graders, 1 grader 2500 km service, 1 bakkie 320000 km services, waterpump service	Fully effective		

KEY PERFORMANCE INDICATOR	MEASURE	ACTUAL	RESULT	REASONS	REMEDIAL ACTION
Conduct departmental meetings	No of scheduled meetings	Planning meetings was held but not minutes and attendance register are kept	Performance not fully effective		Regular departmental meetings to be held and to kept minutes and attendance register
Ensure that all correspondence marked out to the Manager of the Department receives attention after receipt for the Registration	No of days	Comply within 3 working days	Fully effective		
Training of personnel	No of scheduled training events completed	No training intervention took place	N/A		
PLANNING: DEPARTMENT PLANNING					
MSG001-Implementatation of Municipal Turnaround Strategy	Successful completion of Turnaround strategy – 12 reports	Monthly reports submitted to National Treasury, Provincial Treasury, COGTA and COGHSTA	Fully effective		
MSG002-Implementation of functional Ward committee system for all 6 B-Municipalities	Fully functional ward committees – Training assistance – 12 reports	Monthly reports submitted to National Treasury, Provincial Treasury, COGTA and COGHSTA	Fully effective		
MSG003 – Implementation of Audit Action Plan	Clean Audit – 12 reports	Monthly reports submitted to National Treasury, Provincial Treasury, COGTA and COGHSTA	Fully effective		
MSG004-Revision and adoption of all the Municipalities IDP in compliance with the Municipal Systems Act, Chapter 5	Reviewed IDP process implemented i.t.o. the adopted process plan – 12 reports	Monthly reports submitted to National Treasury, Provincial Treasury, COGTA and COGHSTA	Fully effective		

KEY PERFORMANCE INDICATOR	MEASURE	ACTUAL	RESULT	REASONS	REMEDIAL ACTION
Implementation of the Organisational and Individual PMS System in compliance with the Municipal Systems Act, Chapter 6	Fully functional Organisational and Individual PMS system – 12 reports	Monthly reports submitted to National Treasury, Provincial Treasury, COGTA and COGHSTA	Fully effective		
IDP Alignment with the budget, SDBIP implementation	SDBIP planning facilitation process with quarterly measurements and reporting to Council	SDBIP Planning completed and submitted quarterly measurements and reports to Council	Fully effective		
To facilitated active and structured public participation during the Review process	No of IDP Rep Forum meetings	2 District IDP Rep Forum meetings held	Fully effective		
Processing of applications in respect of rezoning, removals of restrictions, consent use, subdivision	Processing of applications in respect of rezoning, removals of restrictions, consent use, subdivision	No requested/applications received	N/A		
Finalisation of legal prescriptions	% prescriptions finalised within 3 three months	No requests/applications received	N/A		
Process of the IDP of Namakwa District Municipality is being conducted in terms of the guidelines stipulated in Chapter 5 of the Municipal Systems Act of 2000.	1 Draft Review	Draft IDP adopted by Council on 01 March 2011	Fully effective		
Process of the IDP of Namakwa District Municipality is being conducted in terms of the guidelines stipulated in Chapter 5 of the Municipal Systems Act of 2000.	1 Final IDP document	Final IDP approved by Council on 21 April 2011	Fully effective		
Process of the IDP of Namakwa District Municipality is being conducted in terms of the guidelines stipulated in Chapter 5 of the Municipal Systems Act of 2000.	Make IDP public	IDP published on the website	Fully effective		

KEY PERFORMANCE INDICATOR	MEASURE	ACTUAL	RESULT	REASONS	REMEDIAL ACTION
Assist B-municipalities in drafting Performance Management System – 6 Municipalities (Need analysis for 4 B-Municipalities by 31 December 2010)	No of Municipalities assisted	No need analysis done	Performance not fully effective	Under staff problems in the department with the function of the Municipal Manager lying in this department	Appointment of MM and PA of MM
MUNICIPAL MANAGER: OFFICE OF THE MUNICIPAL MANAGER					
Established municipal organisation in compliance with legislation through the development, review, and maintenance of service delivery mechanisms	% of critical posts filled	Only CFO appointed on 01 June 2011.	Performance not fully effective	Previous CFO was suspended since April 2009 and resigned in August 2010. The Municipal Manager post was twice advertised, but no appointment was made.	Vacant critical posts will be filled in next financial year
Scheduled Council meetings with full preparation	Number of Council meetings	3 Council meetings held	Performance not fully effective	One meeting not held due to local government elections	Next Council meeting will be held on 25 August 2011
Scheduled Special Council meetings	Number of Special Council meetings	4 Special Council meetings held	Fully effective		
Attended IGR Forum meetings	Number of IGR Forum meetings held	3 IGR meetings held	Performance not fully effective	One meeting not held due to local government elections	Next IGR meeting will take place in first quarter of 2011/12
Implement Intergovernmental Relation Forum	Report on resolutions implemented	IGR forum resolutions not tabled to council	Performance not fully effective	Cultural interventions required	Training regarding IGR processes required.
Review Performance	Quarterly Performance Management Report	Quarterly performance report submitted to council	Fully effective		
Approval of Statutory Documents	Budget	Final budget approved on 21 April 2011	Fully effective		
Approval of Statutory Documents	Completed Annual Report	Annual Report approved by Council on 01 April 2011	Fully effective		
Approval of Statutory Documents	IDP document	Final IDP approved by Council on 21 April 2011	Fully effective		
Continuous monitoring of income & expenditure against budgets	Income and expenditure variance %	No overspending of budget	Fully effective		
Management team meetings and steering committee meeting	Number of scheduled management team meetings	Management meetings were not held regular.	Performance not fully effective	Critical vacancies at managerial level	Appointment of critical vacancies

KEY PERFORMANCE INDICATOR	MEASURE	ACTUAL	RESULT	REASONS	REMEDIAL ACTION
Management team meetings and steering committee meeting	No of Steering Committee meetings (IDP, PMS & SDBIP)	No steering committee meetings held	Performance not fully effective	Management meetings were also used for Steering Committee Meetings. Critical vacancies at managerial level	Appointment of critical vacancies
All Council resolutions assigned to the departments are executed or received attention	Within 3 working days	Comply with	Fully effective		
MUNICIPAL MANAGER: INTERNAL AUDITOR					
Ensure that the recommendations in the External Audit report is successfully implemented from the Action Plan	% of Action points attended to	Action plan compiled and busy with implementation	Fully effective		
Implementation of Internal Audit Plan	% compliance of IA Plan	100 % implementation of previous Audit Plan	Fully effective		
Ensure that the audit committee meets i.t.o. the relevant regulation	Established Audit Committee	Advertisements was done and short listing was compiled, but no Audit Committee was appointed	Performance not fully effective		Audit Committee to be appointed in next financial year
Ensure that the audit committee meets i.t.o. the relevant regulation	No of audit committee meetings	No operational Audit Committee	N/A		
Audit Committee Charter Review	Approved Audit Committee Charter	Concept Audit Committee Charter in place and will be reviewed when Audit Committee is appointed	N/A		
Review of performance information (evidence) after each SDBIP Evaluation	Performance Assessment Report on AoPI	Review was done	Fully effective		
Internal Audit Charter Review	Approved Internal Audit Charter	Internal Audit Charter is approved	Fully effective		

17. REPORT OF THE AUDITOR - GENERAL

REPORT OF THE AUDITOR-GENERAL TO THE NORTHERN CAPE PROVINCIAL LEGISLATURE AND THE COUNCIL ON THE NAMAKWA DISTRICT MUNICIPALITY

REPORT ON THE FINANCIAL STATEMENTS

Introduction

1. I have audited the accompanying financial statements of the Namakwa District Municipality, which comprise the statement of financial position as at 30 June 2011, and the statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages xx to xx.

Accounting officer's responsibility for the financial statements

The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP), the requirements of the Municipal Finance Management Act of South Africa, 2003 (Act No. 56 of 2003) (MFMA) and Division of Revenue Act of South Africa, 2010 (Act No. 1 of 2010 as amended) (DoRA), and for such internal control as management determines necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor-General's responsibility

1. As required by section 188 of the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996) and section 4 of the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA), my responsibility is to express an opinion on the financial statements based on my audit.

I conducted my audit in accordance with International Standards on Auditing and *General Notice 1111 of 2010* issued in *Government Gazette 33872 of 15 December 2010*. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting

policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

1. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Namakwa District Municipality as at 30 June 2011, and its financial performance and cash flows for the year then ended in accordance with SA Standards of GRAP and in the manner required by the MFMA and DoRA.

Additional matters

1. I draw attention to the matters below. My opinion is not modified in respect of these matters:

Material inconsistencies in other information included in the annual report

As the annual report was not presented for audit purposes, I was not able to identify any material inconsistencies with the financial statements.

Unaudited supplementary schedules

1. The supplementary information set out on pages xx to xx does not form part of the financial statements and is presented as additional information. I have not audited these schedules and accordingly I do not express an opinion thereon.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the PAA and in terms of *General Notice 1111 of 2010* issued in *Government Gazette 33872 of 15 December 2010*, I include below my findings on the annual performance report as set out on pages XXX to XXX and material non-compliance with laws and regulations applicable to the municipality.

Predetermined objectives

Presentation of information

The following criterion is relevant to the findings below:

Performance against predetermined objectives is reported using the National Treasury guidelines.

Audit findings:

- The municipality did not develop and implement mechanisms, systems and processes for auditing the results of performance measurement as part of its internal audit processes as well as disclose the effectiveness of its performance in its service delivery budget implementation plan during the financial year, as required by section 40(1)(a) of the Municipal Systems Act of

South Africa, 2000 (Act No. 32 of 2000) (MSA) read with regulation 14(1)(a) of the Municipal Planning and Performance Management Regulations, 2001.

- The municipality did not implement an adequate framework that described and represented how the municipality's cycle and processes of performance, monitoring, measurement, review and improvement would be conducted, organised and managed, as it did not relate to the municipality's employee performance management processes, as required by sections 38, 39, 40 and 41 of the MSA read with regulations 7(1), (2)(f) and 8 of the Municipal Planning and Performance Management Regulations, 2001.
- Adequate measures taken to improve performance and reasons for deviations between planned and actual reported targets were not provided in the performance report, as required in terms of section 46(1)(c) of the MSA. Furthermore, 23% of the reported targets, where improvement was required, were not explained adequately.

Usefulness of information

The following criteria are relevant to the findings below:

Relevance: A clear and logical link exists between the objectives, outcomes, outputs, indicators and performance targets.

Measurability: Indicators are well defined and verifiable, and targets are specific, measurable and time bound.

Audit findings:

Reported information not consistent with planned objectives, indicators and targets (consistency)

The municipality did not report on its performance against predetermined targets, which were consistent with the approved integrated development plan.

Planned and reported targets not specific (measurability)

- For the selected programmes, namely basic service delivery and infrastructure (KPA 2) and good governance and public participation (KPA 5), 49% of the planned and reported targets were not specific in clearly identifying the nature and the required level of performance.

Planned and reported targets not time bound (measurability)

- For the selected programmes, namely basic service delivery and infrastructure (KPA 2) and good governance and public participation (KPA 5), 32% of the planned and reported targets were not time bound in specifying the time period or deadline for delivery.

Planned and reported indicators not well defined (measurability and relevance)

- For the selected programmes, namely basic service delivery and infrastructure (KPA 2) and good governance and public participation (KPA 5), 59% of the planned and reported indicators were not clear, as unambiguous data definitions were not available to allow for data to be collected consistently.

Reliability of information

The following criterion is relevant to the finding below:

- Completeness: All actual results and events that should have been recorded have been included in the annual performance report.

Audit finding:

Reported information not complete when compared to planned objectives, indicators and targets

- Reported indicators were not complete when compared to the planned indicators per the approved integrated development plan.

Compliance with laws and regulations

Strategic planning and performance management

The municipality did not appoint a performance audit committee, nor was another audit committee utilised as the performance audit committee, as required by regulation 14(2)(a) of the Municipal Planning and Performance Management Regulations, 2001.

The integrated development plan of the municipality did not include a financial plan that included a budgeted projection for at least three years, as required by section 26(h) of the MSA.

Annual financial statements, performance report and annual report

The annual performance report did not contain a comparison of the performance of the municipality and of each external service provider with development priorities, objectives and performance indicators set out in its integrated development plan, as required by section 46(1)(a) of the MSA.

Audit committee

The municipality did not establish an audit committee during the financial year, contrary to the requirements of section 166(1) of the MFMA.

Internal audit

The internal audit unit did not adequately advise the accounting officer and report to the audit committee on the implementation of the internal audit plan and matters relating to internal control, accounting procedures and practices, risk and risk management as well as compliance with the MFMA, the MSA and DoRA. Furthermore, the internal audit unit was not independent from the operational management structure of the municipality and did not perform its work in accordance with prescribed internal audit standards, contrary to the requirements of section 165(2) of the MFMA.

Procurement and contract management

The municipality did not publish the bid result of the winning bidders for all tenders on its website, contrary to regulation 23(c)(iii) of the Municipal Supply Chain Management Regulations.

Human resource management

The municipality did not establish a performance monitoring system for the evaluation of the performance of employees, contrary to the requirements of section 67(1)(d) of the MSA. The municipality did not have an approved selection and recruitment policy or a skills retention policy, contrary to the requirements of section 67(1)(a) of the MSA.

Revenue management

The accounting officer did not ensure that the municipality had an effective revenue-collection system, as no effective action had been taken for a greater part of the financial period to recover long-outstanding debtor accounts, contrary to the requirements of section 64(2)(a) of the MFMA.

INTERNAL CONTROL

In accordance with the PAA and in terms of *General Notice 1111 of 2010* issued in *Government Gazette 33872 of 15 December 2010*, I considered internal control relevant to my audit, but not for the purpose of expressing an opinion on the effectiveness of internal control. The matters reported below are limited to the significant deficiencies that resulted in the findings on the annual performance report and the findings on compliance with laws and regulations included in this report.

Leadership

1. A number of audit findings relating to material non-compliance with the provisions of the MFMA and the MSA were identified. The instances of non-compliance occurred due to the fact that the mayor and the accounting officer did not exercise oversight responsibility over reporting and compliance with laws and regulations. A direct contributing factor was the suspension of the municipal manager and the chief financial officer during the previous financial year, resulting in these oversight functions being vacant for a greater part of the financial period.

Financial and performance management

1. A number of audit findings were identified relating to inadequate formal controls over monthly controls, information technology (IT) systems as well as the completeness of the predetermined objectives set out in the integrated development plan and the annual performance report. Misstatements identified were due to the following:
 - Lack of awareness and appropriate skills regarding IT systems.

- The municipality did not have adequate key controls to address the systems of collation and disclosure of performance information, specifically relating to the completeness and consistency of the output of information.

Governance

1. The internal audit unit did not fulfil its responsibilities as set out in legislation and in accordance with accepted best practice and standards.
2. The municipality did not establish an audit committee that promoted independent accountability and service delivery.

The municipality developed a fraud prevention plan and a risk management plan, but these plans were not effectively implemented and monitored due to the absence of an oversight function.

Kimberley

30 November 2011



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

18. FINANCIAL STATEMENTS

Statement of Financial position at 30 June 2011
NAMAKWA DISTRICT MUNICIPALITY

STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2011

	Notes	2011 R	2010 R
NET ASSETS AND LIABILITIES			
Net Assets		44 567 581	46 444 820
Capital Replacement Reserve	2	710 770	1 837 177
Accumulated Surplus/(Deficit)		43 856 811	44 607 643
Non-Current Liabilities		15 429 530	18 140 912
Long-term Liabilities	3	137 309	3 664 859
Non-current Employee Benefits	4	15 292 221	14 476 053
Current Liabilities		18 294 679	32 874 693
Current Employee Benefits	5	2 529 934	3 350 028
Payables from exchange transactions	6	4 038 814	15 322 649
Unspent Conditional Government Grants and Receipts	7	11 685 054	13 488 397
Current Portion of Long-term Liabilities	3	40 877	713 619
Total Net Assets and Liabilities		78 291 791	97 460 425
ASSETS			
Non-Current Assets		11 361 020	18 793 124
Property, Plant and Equipment	10	9 549 556	16 964 454
Investment Property	11	393 309	421 403
Intangible Assets	12	1 417 009	1 406 121
Investments	13	1 146	1 146
Current Assets		66 930 771	78 667 301
Inventory	14	680 932	482 367
Receivables from non-exchange transactions	15	1 004 040	781 430
Unpaid Conditional Government Grants and Receipts	7	1 105 408	-
Operating Lease Asset	16	50 663	33 288
Taxes	8.1	840 946	584 913
Cash and Cash Equivalents	17	63 248 782	76 785 303
Total Assets		78 291 791	97 460 425

NAMAKWA DISTRICT MUNICIPALITY

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2011

	Notes	2011 R	2010 R
REVENUE			
Revenue from Non-exchange Transactions		40 032 184	35 598 398
Transfer Revenue		39 577 642	35 241 968
Government Grants and Subsidies	18	39 577 642	35 241 968
Other Revenue		454 542	356 430
Actuarial Gains	4	454 542	345 951
Other	19	-	10 479
Revenue from Exchange Transactions		6 498 935	7 265 930
Rental of Facilities and Equipment	20	577 317	592 074
Interest Earned - external investments	21	3 407 420	3 682 655
Interest Earned - outstanding receivables	22	202 005	-
Income for Agency Services		1 474 404	2 294 478
Other Income	23	837 790	696 723
Total Revenue		46 531 120	42 864 328
EXPENDITURE			
Employee related costs	24	(13 126 013)	(13 346 786)
Remuneration of Councillors	25	(2 256 871)	(2 283 077)
Debt Impairment	26	(181 636)	-
Depreciation and Amortisation	27	(2 013 301)	(2 149 552)
Repairs and Maintenance		(136 950)	(169 047)
Actuarial Losses	4	(919 317)	(18 564)
Finance Costs	28	(1 492 122)	(2 025 119)
Grants and Subsidies Paid	29	(5 834 507)	(5 848 652)
Other Operating Grant Expenditure		(7 936 666)	(3 501 603)
General Expenses	30	(8 311 211)	(9 410 080)
Total Expenditure		(42 208 594)	(38 752 479)

Operating Surplus for the Year		4 322 525	4 111 848
Gains/(Loss) on Sale of Assets	31	(6 525 471)	(117 268)
(Impairment loss)/Reversal of impairment loss	32	(83 247)	-
Net Surplus/(Deficit) from continued operations		(2 286 192)	3 994 580
Net Surplus/(Deficit) from discontinued operations	33	408 954	383 173
NET SURPLUS/(DEFICIT) FOR THE YEAR		(1 877 239)	4 377 754

NAMAKWA DISTRICT MUNICIPALITY

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2011

	Capital Replacement Reserve R	Accumulated Surplus/ (Deficit) R	Total R
Balance at 1 July 2009	1 836 325	33 706 592	35 542 916
Correction of Error - note 35.9	-	2 563 299	2 563 299
Change in Accounting Policy - note 34.2	-	3 942 246	3 942 246
Restated balance	1 836 325	40 212 137	42 048 461
Net Surplus/(Deficit) for the year	-	4 377 754	4 377 754
Net Surplus/(Deficit) previously reported	-	4 993 655	4 993 655
Effect of Changes to prior year Statement of Financial Performance - Note 35.11	-	(615 901)	(615 901)
Transfer to/from CRR	2 458 813	(2 458 813)	-
Property, Plant and Equipment purchased	(2 457 961)	2 457 961	-
Balance at 30 June 2010	1 837 177	44 589 038	46 426 215
Correction of Error - note 35.10	-	-	-
Change in Accounting Policy - note 34.3	-	18 605	18 605
Restated Balance at 30 June 2010	1 837 177	44 607 643	46 444 820
Net Surplus/(Deficit) for the year	-	(1 877 239)	(1 877 239)
Transfer to/from CRR	-	-	-
Property, Plant and Equipment purchased	(1 126 407)	1 126 407	-
Balance at 30 June 2011	710 770	43 856 811	44 567 581

NAMAKWA DISTRICT MUNICIPALITY

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2011

	Notes	2011 R	2010 R
CASH FLOW FROM OPERATING ACTIVITIES			
Cash receipts			
Taxation		301 440	177 733
Grants		36 637 876	51 897 043
Investment Income		3 609 425	3 682 655
Other receipts		2 606 420	6 004 608
Cash payments			
Employee costs		(17 198 119)	(24 335 921)
Suppliers		(33 957 771)	(19 062 797)
Finance costs		(145 588)	(677 597)
Net Cash from Operating Activities	36	(8 146 317)	17 685 724
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Property, Plant and Equipment		(989 417)	(2 388 338)
Proceeds on Disposal of Fixed Assets			266 264
Purchase of Intangible Assets		(200 495)	(69 622)
(Increase)/Decrease in Long-term Receivables			2 303
Net Cash from Investing Activities		(1 189 912)	(2 189 393)
CASH FLOW FROM FINANCING ACTIVITIES			
New loans raised		-	-
Loans repaid		(4 200 291)	(608 616)
Net Cash from Financing Activities		(4 200 291)	(608 616)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		(13 536 520)	14 887 715
Cash and Cash Equivalents at the beginning of the year		76 785 303	61 897 588
Cash and Cash Equivalents at the end of the year	37	63 248 782	76 785 303
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		(13 536 520)	14 887 715

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

1. ACCOUNTING PRINCIPLES AND POLICIES APPLIED IN THE FINANCIAL STATEMENTS

1.1. BASIS OF PREPARATION

The annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention unless specified otherwise.

The annual financial statements have been prepared in accordance with the effective Standards of Generally Recognised Accounting Practice (GRAP), including any interpretations and directives issued by the Accounting Standards Board in accordance with Section 122(3) of the Municipal Finance Management Act, (Act No 56 of 2003).

The standards are summarised as follows:

REFERENCE	TOPIC
GRAP Framework	Framework for the preparation and presentation of financial statements
GRAP 5	Borrowing Costs
GRAP 6	Consolidated and Separate Financial Statements
GRAP 7	Investments in Associate
GRAP 8	Interests in Joint Ventures
GRAP 101	Agricultural
GRAP 102	Intangible assets
IGRAP 1	Applying the probability test on initial recognition of exchange revenue
IPSAS 20	Related Party Disclosure
IFRS 3	Business Combinations
IFRS 4	Insurance Contracts
IFRS 6	Exploration for and Evaluation of Mineral Resources
IAS 19	Employee Benefits
IFRIC 4	Determining whether an arrangement contains a lease
IFRIC 9	Reassessment of Embedded Derivatives
IFRIC 12	Service Concession Arrangements
IFRIC 13	Customer Loyalty Programmes
IFRIC 14	The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
IFRIC 15	Agreements for the Construction of Real Estate
IFRIC 16	Hedges in a Net Investment in a Foreign Operation
Directive 5	Determining the GRAP Reporting Framework
ASB guide 1	Guideline on Accounting for Public Private Partnerships

The Municipality resolved to early adopt the following GRAP standards which have been issued but are not yet effective:

REFERENCE	TOPIC	EFFECTIVE DATE
GRAP 1 (Revised)	Presentation of Financial Statements	1 April 2011
GRAP 2 (Revised)	Cash Flow Statements	1 April 2011
GRAP 3 (Revised)	Accounting Policies, Changes in Accounting Estimates and Errors	1 April 2011
GRAP 4 (Revised)	The Effects of changes in Foreign Exchange Rates	1 April 2011
GRAP 9 (Revised)	Revenue from Exchange Transactions	1 April 2011
GRAP 10 (Revised)	Financial Reporting in Hyperinflationary Economics	1 April 2011
GRAP 11 (Revised)	Construction Contracts	1 April 2011
GRAP 12 (Revised)	Inventories	1 April 2011
GRAP 13 (Revised)	Leases	1 April 2011
GRAP 14 (Revised)	Events after the reporting date	1 April 2011
GRAP 16 (Revised)	Investment Property	1 April 2011
GRAP 17 (Revised)	Property, Plant and Equipment	1 April 2011
GRAP 19 (Revised)	Provisions, Contingent Liabilities and Contingent Assets	1 April 2011
GRAP 21	Impairment of non-cash-generating assets	1 April 2012
GRAP 23	Revenue from Non-exchange Transactions	1 April 2012
GRAP 26	Impairment of cash-generating assets	1 April 2012
GRAP 100 (Revised)	Non-current Assets Held for Sale and Discontinued Operations	1 April 2011

The Municipality resolved to formulate an accounting policy based on the following GRAP standards which have been issued but are not yet effective.

REFERENCE	TOPIC	EFFECTIVE DATE
GRAP 25	Employee Benefits	Unknown

Accounting policies for material transactions, events or conditions not covered by the above GRAP have been developed in accordance with paragraphs 7, 11 and 12 of GRAP 3.

A summary of the significant accounting policies, which have been consistently applied except where an exemption or transitional provision has been granted, are disclosed below.

Assets, liabilities, revenue and expenses have not been offset except when offsetting is permitted or required by a Standard of GRAP.

The accounting policies applied are consistent with those used to present the previous year's financial statements, unless explicitly stated. The details of any changes in accounting policies are explained in the relevant notes to the Financial Statements.

In terms of Directive 7: "The Application of Deemed Cost on the Adoption of Standards of GRAP" issued by the Accounting Standards Board, the Municipality applied deemed cost to Property, Plant and Equipment, Investment Property and Intangible Assets where the acquisition cost of an asset could not be determined.

1.2. PRESENTATION CURRENCY

Amounts reflected in the financial statements are in South African Rand and at actual values. No financial values are given in an abbreviated display format. No foreign exchange transactions are included in the statements.

1.3. GOING CONCERN ASSUMPTION

These annual financial statements have been prepared on a going concern basis.

1.4. COMPARATIVE INFORMATION

GRAP 24: Presenting of Budget Information in Financial Statements is not yet effective. However GRAP 1.15 requires a comparison between actual and budgeted amounts. This information has been disclosed in the financial statements.

When the presentation or classification of items in the annual financial statements is amended, prior period comparative amounts are restated, unless a standard of GRAP does not require the restatements of comparative information. The nature and reason for the reclassification is disclosed. Where accounting errors have been identified in the current year, the correction is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly. Where there has been a change in accounting policy in the current year, the

adjustment is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly.

1.5. MATERIALITY

Material omissions or misstatements of items are material if they could, individually or collectively, influence the decision or assessments of users made on the basis of the financial statements. Materiality depends on the nature or size of the omission or misstatements judged in the surrounding circumstances. The nature or size of the information item, or a combination of both, could be the determining factor.

1.6. STANDARDS, AMENDMENTS TO STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE

The following GRAP standards have been issued but are not yet effective and have not been early adopted by the municipality:

REFERENCE	TOPIC	EFFECTIVE DATE
GRAP 6 (Revised)	<u>Consolidated and Separate Financial Statements</u> No significant impact is expected as the Municipality does not participate in such business transactions.	Unknown
GRAP 7 (Revised)	<u>Investments in Associate</u> No significant impact is expected as the Municipality does not participate in such business transactions.	Unknown
GRAP 8 (Revised)	<u>Interest in Joint Ventures</u> No significant impact is expected as the Municipality does not participate in such business transactions.	Unknown
GRAP 18	<u>Segment Reporting</u> Information to a large extent is already included in the notes to the annual financial statements.	Unknown
GRAP 24	<u>Presentation of Budget Information in Financial Statements</u> Information to a large extent is already included in the notes to the annual financial statements.	1 April 2012
GRAP 103	<u>Heritage Assets</u> No adjustments will necessary other than a separate line item in the Statement of Financial Position and the transfer of the values from property, plant and equipment.	1 April 2012
GRAP 105	<u>Transfer of Functions between Entities under Common Control</u> No significant impact is expected as the Municipality does not participate in such business transactions.	Unknown
GRAP 106	<u>Transfer of Functions between Entities not under Common Control</u>	Unknown

	No significant impact is expected as the Municipality does not participate in such business transactions.	
GRAP 107	<u>Mergers</u> No significant impact is expected as the Municipality does not participate in such business transactions.	Unknown

These standards, amendments and interpretations will not have a significant impact on the Municipality once implemented.

1.7. FOREIGN CURRENCY TRANSACTIONS

The Municipality will not incur a foreign currency liability other than that allowed by the MFMA.

1.8. RESERVES

1.8.1. Capital Replacement Reserve (CRR)

In order to finance the provision of infrastructure and other items of property, plant and equipment from internal sources, funds are transferred from the accumulated surplus / (deficit) to the CRR. The funds in the CRR can only be utilized to finance items of property, plant and equipment. The CRR is reduced and the accumulated surplus / (Deficit) are credited by a corresponding amount when the amounts in the CRR are utilized.

The CRR may only be utilized for the purpose of purchasing/ construction of items of property, plant and equipment and may not be used for the maintenance of these items.

1.7.3. Revaluation Reserve

The accounting for the Revaluation Reserve must be done in accordance with the requirements of GRAP 17.

All increases in the carrying value of assets as a result of a revaluation are credited against the reserve, except to the extent that the increase reverses a revaluation decrease of the same asset previously recognised in surplus or deficit.

All decreases in the carrying value of assets as a result of a revaluation are debited against the reserve to the extent of any credit balance existing in the revaluation surplus in respect of that asset.

1.9. LEASES

1.9.1. Municipality as Lessee

Leases are classified as finance leases where substantially all the risks and rewards associated with ownership of an asset are transferred to the Municipality. Transfer of ownership is not required to be recognised as a finance lease. Property, plant and equipment or intangible assets subject to finance lease agreements are initially recognised at the lower of the asset's fair value and the present value of the minimum lease payments. The corresponding liabilities are initially recognised at the inception of the lease and are measured as the sum of the minimum lease payments due in terms of the lease agreement, discounted for the effect of interest. In discounting the lease payments, the Municipality uses the interest rate that exactly discounts the lease payments and unguaranteed residual value to the fair value of the asset plus any direct costs incurred.

Subsequent to initial recognition, the leased assets are accounted for in accordance with the stated accounting policies applicable to property, plant and equipment or intangibles. The lease liability is reduced by the lease payments, which are allocated between the lease finance cost and the capital repayment using the effective interest rate method. Lease finance costs are expensed when incurred. The accounting policies relating to derecognition of financial instruments are applied to lease payables.

Operating leases are those leases that do not fall within the scope of the above definition. Operating lease rentals are accrued on a straight-line basis over the term of the relevant lease.

1.9.2. Municipality as Lessor

Under a finance lease, the municipality recognises the lease payments to be received in terms of a lease agreement as an asset (receivable). The receivable is calculated as the sum of all the minimum lease payments to be received, plus any unguaranteed residual accruing to the municipality, discounted at the interest rate implicit in the lease. The receivable is reduced by the capital portion of the lease instalments received, with the interest portion being recognised as interest revenue on a time proportionate basis. The accounting policies relating to derecognition and impairment of financial instruments are applied to lease receivables.

Operating leases are those leases that do not fall within the scope of the above definition. Operating lease rentals are recognised on a straight-line basis over the term of the relevant lease.

1.10. BORROWING COST

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are capitalised to the cost of that asset unless it is inappropriate to do so. The Municipality ceases the capitalisation of borrowing costs when substantially all the activities to prepare the asset for its intended use or sale are complete. It is considered inappropriate to capitalise borrowing costs where the link between the funds borrowed and the capital asset acquired cannot be adequately

established. Borrowing costs incurred other than on qualifying assets are recognised as an expense in the Statement of Financial Performance when incurred.

1.11. UNSPENT CONDITIONAL GOVERNMENT GRANTS AND RECEIPTS

Unspent conditional grants are financial liabilities that are separately reflected on the Statement of Financial Position. They represent unspent government grants, subsidies and contributions from the public.

This liability always has to be cash-backed. The following provisions are set for the creation and utilisation of this creditor:

Unspent conditional grants are recognised as a liability when the grant is received.

When grant conditions are met an amount equal to the conditions met are transferred to revenue in the Statement of Financial Performance.

The cash which backs up the creditor is invested until it is utilised.

Interest earned on the investment is treated in accordance with grant conditions. If it is payable to the funder it is recorded as part of the creditor. If it is the Municipality's interest it is recognised as interest earned in the Statement of Financial Performance.

1.12. UNPAID CONDITIONAL GOVERNMENT GRANTS AND RECEIPTS

Unpaid conditional grants are assets in terms of the Framework that are separately disclosed in the Statement of Financial Position. The asset is recognised when the Municipality has an enforceable right to receive the grant or if it is virtually certain that it will be received based on that grant conditions have been met. They represent unpaid government grants, subsidies and contributions from public.

The following provisions are set for the creation and utilisation of grant receivables:

Unpaid conditional grants are recognised as an asset when the grant is receivable.

1.13. PROVISIONS

Provisions are recognised when the Municipality has a present or constructive obligation as a result of past events, it is probable that an outflow of resource embodying economic benefits will be required to settle the obligation and a reliable estimate of the provision can be made. Provisions are reviewed at reporting date and adjusted to reflect the current best estimate. Where the effect is

material, non-current provisions are discounted to their present value using a discount rate that reflects the market's current assessment of the time value of money, adjusted for risks specific to the liability (for example in the case of obligations for the rehabilitation of land).

The Municipality does not recognise a contingent liability or contingent asset. A contingent liability is disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is disclosed where an inflow of economic benefits is probable.

Future events that may affect the amount required to settle an obligation are reflected in the amount of a provision where there is sufficient objective evidence that they will occur. Gains from the expected disposal of assets are not taken into account in measuring a provision. Provisions are not recognised for future operating losses. The present obligation under an onerous contract is recognised and measured as a provision.

A provision for restructuring costs is recognised only when the following criteria over and above the recognition criteria of a provision have been met:

(a) The municipality has a detailed formal plan for the restructuring identifying at least:

- the business or part of a business concerned;
- the principal locations affected;
- the location, function and approximate number of employees who will be compensated for terminating their services;
- the expenditures that will be undertaken; and
- when the plan will be implemented.

(b) The Municipality has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

The amount recognised as a provision shall be the best estimate of the expenditure required to settle the present obligation at the reporting date.

Provisions shall be reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation, the provision shall be reversed.

1.14. EMPLOYEE BENEFITS

(a) Post Retirement Medical obligations

The Municipality provides post-retirement medical benefits by subsidizing the medical aid contributions of certain retired staff according to the rules of the medical aid funds. Council pays 60% as contribution and the remaining 40% are paid by the members. The entitlement to these benefits is usually conditional on the employee remaining in service up to retirement age and the completion of a minimum service period. The present value of the defined benefit liability is actuarially determined in accordance with GRAP 25 – Employee benefits (using a discount rate applicable to high quality government bonds). The plan is unfunded.

These contributions are charged to the Statement of Financial Performance when employees have rendered the service entitling them to the contribution. The liability was calculated by means of the projected unit credit actuarial valuation method. The liability in respect of current pensioners is regarded as fully accrued, and is therefore not split between a past (or accrued) and future in-service element. The liability is recognised at the fair value of the obligation. Payments made by the Municipality are set-off against the liability, including notional interest, resulting from the valuation by the actuaries and are charged against the Statement of Financial Performance as employee benefits upon valuation.

Actuarial gains and losses arising from the experience adjustments and changes in actuarial assumptions, is charged or credited to the Statement of Financial Performance in the period that it occurs. These obligations are valued periodically by independent qualified actuaries.

(b) Long Service Awards

Long service awards are provided to employees who achieve certain pre-determined milestones of service within the Municipality. The Municipality's obligation under these plans is valued by independent qualified actuaries periodically and the corresponding liability is raised. Payments are set-off against the liability, including notional interest, resulting from the valuation by the actuaries and are charged against the Statement of Financial Performance as employee benefits upon valuation. Defined benefit plans are post-employment plans other than defined contribution plans.

Actuarial gains and losses arising from the experience adjustments and changes in actuarial assumptions, is charged or credited to the Statement of Financial Performance in the period that it occurs. These obligations are valued periodically by independent qualified actuaries

(c) Accrued Leave Pay

Liabilities for annual leave are recognised as they accrue to employees. The liability is based on the total amount of leave days due to employees at year end and also on the total remuneration package of the employee.

(d) Staff Bonuses

Liabilities for staff bonuses are recognised as they accrue to employees. The liability at year end is based on bonus accrued at year end for each employee.

1.15. PROPERTY, PLANT AND EQUIPMENT

1.15.1.1. Initial Recognition

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one year. Items of property, plant and equipment are initially recognised as assets on acquisition date and are initially recorded at cost. The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by the municipality. Trade discounts and rebates are deducted in arriving at the cost. The cost also includes the necessary costs of dismantling and removing the asset and restoring the site on which it is located.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Where an asset is acquired by the municipality for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of that asset on the date acquired.

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the assets acquired is initially measure at fair value (the cost). If the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

Major spare parts and servicing equipment qualify as property, plant and equipment when the municipality expects to use them during more than one period. Similarly, if the major spare parts and servicing equipment can be used only in connection with an item of property, plant and equipment, they are accounted for as property, plant and equipment.

1.15.2. Subsequent Measurement – Cost Model

Subsequent to initial recognition, items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated as it is deemed to have an indefinite useful life.

Where the Municipality replaces parts of an asset, it derecognises the part of the asset being replaced and capitalises the new component. Subsequent expenditure incurred on an asset is capitalised when it increases the capacity or future economic benefits associated with the asset.

Depreciation and Impairment

Depreciation is calculated on the depreciable amount, using the straight-line method over the estimated useful lives of the assets. Depreciation of an asset begins when it is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Components of assets that are significant in relation to the whole asset and that have different useful lives are depreciated separately. The annual depreciation rates are based on the following estimated useful lives:

	<i>Years</i>		<i>Years</i>
<u>Infrastructure</u>		<u>Other</u>	
Roads and Paving	10-30	Buildings	30-50
Pedestrian Malls	20	Specialist vehicles	10-15
Electricity	20-30	Other vehicles	5-10
Water	15-20	Office equipment	3-15
Sewerage	15-20	Furniture and fittings	5-15
Housing	30	Watercraft	15
		Bins and containers	5
<u>Community</u>		Specialised plant and	
Buildings	30	Equipment	10-20
Recreational Facilities	20-30	Other plant and	
Security	5	Equipment	2-5
Halls	20-30	Landfill sites	20
Libraries	20-30	Quarries	25
Parks and gardens	20-30	Emergency equipment	10
Other assets	15-20	Computer equipment	3-10

Heritage assets

No depreciation

Finance lease assets

Office equipment	3-5
Other assets	5

Property, plant and equipment are reviewed at each reporting date for any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. The impairment charged to the Statement of Financial Performance is the excess of the carrying value over the recoverable amount.

An impairment is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined had no impairment been recognised. A reversal of impairment is recognised in the Statement of Financial Performance.

1.15.3. De-recognition

Items of property, plant and equipment are derecognised when the asset is disposed or when there are no further economic benefits or service potential expected from the use of the asset. The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

1.15.4. Land and Buildings and Other Assets – application of deemed cost (Directive 7)

The Municipality opted to take advantage of the transitional provisions as contained in Directive 7 of the Accounting Standards Board, issued in December 2009. The Municipality applied deemed cost where the acquisition cost of an asset could not be determined. For Land and Buildings the fair value as determined by a valuator was used in order to determine the deemed cost as on 1 July 2008. For Other Assets the depreciated cost method was used to establish the deemed cost as on 1 July 2008.

1.16. INTANGIBLE ASSETS

1.24.1. Initial Recognition

An intangible asset is an identifiable non-monetary asset without physical substance.

An asset meets the identifiability criterion in the definition of an intangible asset when it:

- is separable, i.e. is capable of being separated or divided from the entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, asset or liability; or
- arises from contractual rights (including rights arising from binding arrangements) or other legal rights (excluding rights granted by statute), regardless of whether those rights are transferable or separable from the entity or from other rights and obligations.

The Municipality recognises an intangible asset in its Statement of Financial Position only when it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the Municipality and the cost or fair value of the asset can be measured reliably.

Internally generated intangible assets are subject to strict recognition criteria before they are capitalised. Research expenditure is never capitalised, while development expenditure is only capitalised to the extent that:

- the municipality intends to complete the intangible asset for use or sale;
- it is technically feasible to complete the intangible asset;
- the municipality has the resources to complete the project; and
- it is probable that the municipality will receive future economic benefits or service potential.

Intangible assets are initially recognised at cost.

Where an intangible asset is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

1.24.2. Subsequent Measurement – Cost Model

Intangible assets are subsequently carried at cost less accumulated amortisation and impairments. The cost of an intangible asset is amortised over the useful life where that useful life is finite. Where the useful life is indefinite, the asset is not amortised but is subject to an annual impairment test.

1.24.3. Amortisation and Impairment

Amortisation is charged so as to write off the cost or valuation of intangible assets over their estimated useful lives using the straight line method. Amortisation of an asset begins when it is available for use, i.e. when it is in the condition necessary for it to be capable of operating in the manner intended by management. Components of assets that are significant in relation to the whole asset and that have different useful lives are amortised separately. The estimated useful lives, residual values and amortisation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis. The annual amortisation rates are based on the following estimated useful lives:

<u>Intangible Assets</u>	Years
Computer Software	5-10
Computer Software Licenses	5

1.24.4. De-recognition

Intangible assets are derecognised when the asset is disposed or when there are no further economic benefits or service potential expected from the use of the asset. The gain or loss arising on the disposal or retirement of an intangible asset is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

1.24.5. Application of deemed cost (Directive 7)

The Municipality opted to take advantage of the transitional provisions as contained in Directive 7 of the Accounting Standards Board, issued in December 2009. The Municipality applied deemed cost where the acquisition cost of an asset could not be determined. For Intangible Assets the depreciated cost method was used to establish the deemed cost as on 1 July 2008.

1.17. INVESTMENT PROPERTY

1.17.1. Initial Recognition

Investment property shall be recognised as an asset when and only when:

- it is probable that the future economic benefits or service potential that are associated with the investment property will flow to the entity, and
- the cost or fair value of the investment property can be measured reliably.

Investment property includes property (land or a building, or part of a building, or both land and buildings held under a finance lease) held to earn rentals and/or for capital appreciation, rather than held to meet service delivery objectives, the production or supply of goods or services, or the sale of an asset in the ordinary course of operations.

At initial recognition, the Municipality measures investment property at cost including transaction costs once it meets the definition of investment property. However, where an investment property was acquired through a non-exchange transaction (i.e. where it acquired the investment property for no or a nominal value), its cost is its fair value as at the date of acquisition.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner occupied property becomes an investment property, the Municipality accounts for such property in accordance with the policy stated under

property, plant and equipment up to the date of change in use. The cost of self-constructed investment property is the cost at date of completion.

1.17.2. Subsequent Measurement – Cost Model

Subsequent to initial recognition, items of investment property are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated as it is deemed to have an indefinite useful life.

1.17.3. Depreciation and Impairment

Depreciation is calculated on the depreciable amount, using the straight-line method over the estimated useful lives of the assets. Depreciation of an asset begins when it is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Components of assets that are significant in relation to the whole asset and that have different useful lives are depreciated separately. The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

<u>Investment Property</u>	Years
Buildings	30

17.24.4. De-recognition

Investment property is derecognised when it is disposed or when there are no further economic benefits expected from the use of the investment property. The gain or loss arising on the disposal or retirement of an item of investment property is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

17.24.5. Application of deemed cost (Directive 7)

The Municipality opted to take advantage of the transitional provisions as contained in Directive 7 of the Accounting Standards Board, issued in December 2009. The Municipality applied deemed cost where the acquisition cost of an asset could not be determined. The fair value as determined by a valuator was used in order to determine the deemed cost as on 1 July 2008.

1.18. CONSTRUCTION CONTRACTS

Where the outcome of a construction contract can be estimated reliably, contract revenue and costs are recognised by reference to the stage of completion of the contract activity at the reporting date, as measured by either the proportion that contract costs incurred for work performed to date bear to the estimated total contract costs or surveys of work done or completion of a physical proportion of the contract work.

Variations in contract work, claims and incentive payments are included to the extent that they have been agreed with the customer.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent that contract costs incurred are recoverable. Contract costs are recognised as an expense in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

1.19. NON-CURRENT ASSETS HELD FOR SALE

19.24.1. *Initial Recognition*

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

19.24.2. *Subsequent Measurement*

Non-current assets held for sale (or disposal group) are measured at the lower of carrying amount and fair value less costs to sell.

A non-current asset is not depreciated (or amortised) while it is classified as held for sale, or while it is part of a disposal group classified as held for sale.

Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale are recognised in surplus or deficit.

1.20. IMPAIRMENT OF NON-FINANCIAL ASSETS

20.24.1. *Cash generating assets*

Cash-generating assets are assets held with the primary objective of generating a commercial return.

The Municipality assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the municipality estimates the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. Impairment losses are recognised in the Statement of Financial Performance in those expense categories consistent with the function of the impaired asset.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Municipality estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the Statement of Financial Performance.

20.24.2. *Non-cash-generating assets*

Non-cash-generating assets are assets other than cash-generating assets.

The Municipality assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Municipality estimates the asset's recoverable service amount.

An asset's recoverable service amount is the higher of a non-cash-generating asset's fair value less costs to sell and its value in use. If the recoverable service amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. That reduction is an impairment loss recorded in the Statement of Financial Performance.

The value in use of a non-cash-generating asset is the present value of the asset's remaining service potential. The present value of the remaining service potential of the asset is determined using any one of the following approaches:

- *depreciation replacement cost approach* - the present value of the remaining service potential of an asset is determined as the depreciated replacement cost of the asset. The replacement cost of an asset is the cost to replace the asset's gross service potential. This cost is depreciated to reflect the asset in its used condition. An asset may be replaced either through reproduction (replication) of the existing asset or through replacement of its gross service potential. The depreciated replacement cost is measured as the reproduction or replacement cost of the asset, whichever is lower, less accumulated depreciation calculated on the basis of such cost, to reflect the already consumed or expired service potential of the asset.
- *restoration cost approach* - the cost of restoring the service potential of an asset to its pre-impaired level. Under this approach, the present value of the remaining service potential of the asset is determined by subtracting the estimated restoration cost of the asset from the current cost of replacing the remaining service potential of the asset before impairment. The latter cost is usually determined as the depreciated reproduction or replacement cost of the asset, whichever is lower.
- *service unit approach* - the present value of the remaining service potential of the asset is determined by reducing the current cost of the remaining service potential of the asset before impairment, to conform with the reduced number of service units expected from the asset in its impaired state. As in the restoration cost approach, the current cost of replacing the remaining service potential of the asset before impairment is usually determined as the

depreciated reproduction or replacement cost of the asset before impairment, whichever is lower.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

The Municipality assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for an asset may no longer exist or may have decreased. If any such indication exists, the Municipality estimates the recoverable service amount of that asset.

An impairment loss recognised in prior periods for an asset is reversed if there has been a change in the estimates used to determine the asset's recoverable service amount since the last impairment loss was recognised. If this is the case, the carrying amount of the asset is increased to its recoverable service amount. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods. Such a reversal of an impairment loss is recognised in the Statement of Financial Performance.

1.21. NON CURRENT INVESTMENTS

Financial instruments, which include, investments in municipal entities and fixed deposits invested in registered commercial banks, are stated at amortised cost.

Where investments have been impaired, the carrying value is adjusted by the impairment loss, which is recognised as an expense in the period that the impairment is identified.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the Statement of Financial Performance.

The carrying amounts of such investments are reduced to recognise any decline, other than a temporary decline, in the value of individual investments.

1.22. INVENTORY

22.24.1. Initial Recognition

Inventories comprise current assets held for sale, consumption or distribution during the ordinary course of business. Inventories are initially recognised at cost. Cost generally refers to the purchase price, plus non-recoverable taxes, transport costs and any other costs in bringing the inventories to their current location and condition. Where inventory is manufactured, constructed or produced, the cost includes the cost of labour, materials and overheads used during the manufacturing process.

Where inventory is acquired by the Municipality for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of the item on the date acquired.

22.24.2. Subsequent Measurement

Inventories, consisting of consumable stores, raw materials, work-in-progress and finished goods, are valued at the lower of cost and net realisable value unless they are to be distributed at no or nominal charge, in which case they are measured at the lower of cost and current replacement cost. Redundant and slow-moving inventories are identified and written down in this way. Differences arising on the valuation of inventory are recognised in the Statement of Financial Performance in the year in which they arose. The amount of any reversal of any write-down of inventories arising from an increase in net realisable value or current replacement cost is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

The carrying amount of inventories is recognised as an expense in the period that the inventory was sold, distributed, written off or consumed, unless that cost qualifies for capitalisation to the cost of another asset.

In general, the basis of allocating cost to inventory items is the weighted average method.

1.23. FINANCIAL INSTRUMENTS

Financial instruments recognised on the Statement of Financial Position include trade and other receivables (both from exchange transactions and non-exchange transactions), cash and cash equivalents, annuity loans and trade and other payables.

23.24.1. Initial Recognition

Financial instruments are initially recognised when the Municipality becomes a party to the contractual provisions of the instrument at fair value plus, in the case of a financial asset or financial liability not at fair value, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

23.24.2. Subsequent Measurement

Financial Assets are categorised according to their nature as either financial assets at fair value, financial assets at amortised cost or financial assets at cost. , Financial Liabilities are categorised as either at fair value, financial liabilities at cost or financial liabilities carried at amortised cost ("other"). The subsequent measurement of financial assets and liabilities depends on this categorisation.

1.23.2.1. Trade and Other Receivables

Trade and other receivables are classified as loans and receivables, and are subsequently measured amortised cost using the effective interest rate method.

For amounts due from debtors carried at amortised cost, the Municipality first assesses whether objective evidence of impairment exists individually for financial assets that are individually

significant, or collectively for financial assets that are not individually significant. Objective evidence of impairment includes significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments (more than 90 days overdue). If the Municipality determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the Statement of Financial Performance. Interest income continues to be accrued on the reduced carrying amount based on the original effective interest rate of the asset. Loans together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the municipality. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a future write-off is later recovered, the recovery is recognised in the Statement of Financial Performance.

The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate, if material. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate.

1.23.2.2. *Payables and Annuity Loans*

Financial liabilities consist of trade and other payables and annuity loans. They are categorised as financial liabilities held at amortised cost, are initially recognised at fair value and subsequently measured at amortised cost using an effective interest rate, which is the initial carrying amount, less repayments, plus interest.

1.23.2.3. *Cash and Cash Equivalents*

Cash includes cash on hand (including petty cash) and cash with banks. Cash equivalents are short-term highly liquid investments, readily convertible into known amounts of cash that are held with registered banking institutions with maturities of three months or less and are subject to an insignificant risk of change in value. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, highly liquid deposits and net of bank overdrafts. The Municipality categorises cash and cash equivalents as financial assets carried at amortised cost.

Bank overdrafts are recorded based on the facility utilised. Finance charges on bank overdraft are expensed as incurred. Amounts owing in respect of bank overdrafts are categorised as financial liabilities: other financial liabilities carried at amortised cost.

23.24.3. De-recognition

1.23.3.1. Financial Assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired; or
- the Municipality has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Municipality has transferred substantially all the risks and rewards of the asset, or (b) the Municipality has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Municipality has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, a new asset is recognised to the extent of the Municipality's continuing involvement in the asset.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Municipality could be required to repay.

When continuing involvement takes the form of a written and/or purchased option (including a cash settled option or similar provision) on the transferred asset, the extent of the Municipality's continuing involvement is the amount of the transferred asset that the Municipality may repurchase, except that in the case of a written put option (including a cash settled option or similar provision) on an asset measured at fair value, the extent of the Municipality's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

1.23.3.2. Financial Liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the Statement of Financial Performance.

23.24.4. Offsetting

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if, and only if, there is a currently enforceable legal right to offset the recognised

amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

1.24. REVENUE

24.24.1. Revenue from Non-Exchange Transactions

2. Revenue from non-exchange transactions refers to transactions where the Municipality received revenue from another entity without directly giving approximately equal value in exchange. Revenue from non-exchange transactions is generally recognised to the extent that the related receipt or receivable qualifies for recognition as an asset and there is no liability to repay the amount.
3. Revenue from property rates is recognised when the legal entitlement to this revenue arises. Collection charges are recognised when such amounts are legally enforceable. Penalty interest on unpaid rates is recognised on a time proportionate basis as an exchange transaction.
4. Fine Revenue constitutes both spot fines and summonses. Revenue from spot fines and summonses is recognised based on an estimation of future collections of fines issued based on prior period trends and collection percentages.
5. Revenue from public contributions and donations is recognised when all conditions associated with the contribution have been met or where the contribution is to finance property, plant and equipment, when such items of property, plant and equipment qualifies for recognition and first becomes available for use by the Municipality. Where public contributions have been received but the Municipality has not met the related conditions, it is recognised as an unspent public contribution (liability).
6. Revenue from third parties i.e. insurance payments for assets impaired, are recognised when it can be measured reliably and is not being offset against the related expenses of repairs or renewals of the impaired assets.
7. Contributed property, plant and equipment is recognised when such items of property, plant and equipment qualifies for recognition and become available for use by the Municipality.
8. Revenue from the recovery of unauthorised, irregular, fruitless and wasteful expenditure is based on legislated procedures, including those set out in the Municipal Finance Management Act (Act No. 56 of 2003) and is recognised when the recovery thereof from the responsible councillors or officials is virtually certain.
9. Revenue shall be measured at the fair value of the consideration received or receivable.
10. When, as a result of a non-exchange transaction, a Municipality recognises an asset, it also recognises revenue equivalent to the amount of the asset measured at its fair value as at the date of acquisition, unless it is also required to recognise a liability. Where a liability is required to be recognised it will be measured as the best estimate of the amount required to settle the present obligation at the reporting date, and the amount of the increase in net assets, if any, recognised as revenue. When a liability is subsequently reduced, because the taxable event occurs or a condition is satisfied, the amount of the reduction in the liability will be recognised as revenue.

Revenue from Exchange Transactions Revenue from exchange transactions refers to revenue that accrued to the Municipality directly in return for services rendered/ goods sold, the value of which approximates the consideration received or receivable.

Service charges relating to electricity and water are based on consumption and a basic charge as per Council resolution. Meters are read on a monthly basis and are recognised as revenue when invoiced. Provisional estimates of consumption are made monthly when meter readings have not been performed. The provisional estimates of consumption are recognised as revenue when invoiced. Adjustments to provisional estimates of consumption are made in the invoicing period in which meters have been read. These adjustments are recognised as revenue in the invoicing period.

Revenue from the sale of electricity prepaid meter cards is recognised at the point of sale. It is estimated that pre-paid electricity is consumed within 5 to 7 days after date of purchase. The pre-paid electricity sold, but not consumed yet at year-end is disclosed as under Trade and Other Payables in the Statement of Financial Position.

Service charges relating to refuse removal are recognised on a monthly basis in arrears by applying the approved tariff to each property that has improvements. Tariffs are determined per category of property usage, and are levied monthly based on the recorded number of refuse points per property.

Service charges relating to sanitation (sewerage) are recognised on a monthly basis in arrears by applying the approved tariff to each property that has improvements. Tariffs are determined per category of property usage. In the case of residential property a fixed monthly tariff is levied and in the case of commercial property a tariff is levied based on the number of sewerage connection on the property. Service charges based on a basic charge as per Council resolution.

Interest revenue is recognised using the effective interest rate method.

Revenue from the rental of facilities and equipment is recognised on a straight-line basis over the term of the lease agreement.

Dividends are recognised on the date that the Municipality becomes entitled to receive the dividend.

Revenue arising from the application of the approved tariff of charges is recognised when the relevant service is rendered by applying the relevant tariff. This includes the issuing of licences and permits.

Revenue from the sale of goods is recognised when substantially all the risks and rewards in those goods are passed to the consumer.

Revenue arising out of situations where the municipality acts as an agent on behalf of another entity (the principal) is limited to the amount of any fee or commission payable to the municipality as compensation for executing the agreed services

Revenue shall be measured at the fair value of the consideration received or receivable. The amount of revenue arising on a transaction is usually determined by agreement between the entity and the purchaser or user of the asset or service. It is measured at the fair value of the consideration received or receivable taking into account the amount of any trade discounts and volume rebates allowed by the entity.

In most cases, the consideration is in the form of cash or cash equivalents and the amount of revenue is the amount of cash or cash equivalents received or receivable. However, when the inflow of cash or cash equivalents is deferred, the fair value of the consideration may be less than the nominal amount of cash received or receivable. When the arrangement effectively constitutes a financing transaction, the fair value of the consideration is determined by discounting all future receipts using an imputed rate of interest. The imputed rate of interest is the more clearly determinable of either:

- The prevailing rate for a similar instrument of an issuer with a similar credit rating; or
- A rate of interest that discounts the nominal amount of the instrument to the current cash sales price of the goods or services.

The difference between the fair value and the nominal amount of the consideration is recognised as interest revenue.

When goods or services are exchanged or swapped for goods or services which are of a similar nature and value, the exchange is not regarded as a transaction that generates revenue. When goods are sold or services are rendered in exchange for dissimilar goods or services, the exchange is regarded as a transaction that generates revenue. The revenue is measured at the fair value of the goods or services received, adjusted by the amount of any cash or cash equivalents transferred. When the fair value of the goods or services received cannot be measured reliably, the revenue is measured at the fair value of the goods or services given up, adjusted by the amount of any cash or cash equivalents transferred.

11.1.1 Grants, Transfers and Donations (Non-exchange Revenue)

Grants, transfers and donations received or receivable are recognised when the resources that have been transferred meet the criteria for recognition as an asset. A corresponding liability is raised to the extent that the grant, transfer or donation is conditional. The liability is transferred to revenue as and when the conditions attached to the grant are met. Grants without any conditions attached are recognised as revenue when the asset is recognised.

1..1. RELATED PARTIES

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions or if the related party entity and another entity are subject to common control.

Related parties include:

- Entities that directly, or indirectly through one or more intermediaries, control, or are controlled by the reporting entity;
- Individuals owning, directly or indirectly, an interest in the reporting entity that gives them significant influence over the entity, and close members of the family of any such individual;

- Key management personnel, and close members of the family of key management personnel; and
- Entities in which a substantial ownership interest is held, directly or indirectly, by any person described in the 2nd and 3rd bullet, or over which such a person is able to exercise significant influence.

Key management personnel include:

- All directors or members of the governing body of the entity, being the Executive Mayor, Deputy Mayor, Speaker and members of the Mayoral Committee.
- Other persons having the authority and responsibility for planning, directing and controlling the activities of the reporting entity is the Municipal Manager, Chief Financial Officer and all other managers reporting directly to the Municipal Manager or as designated by the Municipal Manager.

11..2. UNAUTHORISED EXPENDITURE

Unauthorised expenditure is expenditure that has not been budgeted, expenditure that is not in terms of the conditions of an allocation received from another sphere of government, municipality or organ of state and expenditure in a form of a grant that is not permitted in terms of the Municipal Finance Management Act (Act No. 56 of 2003). Unauthorised expenditure is accounted for as an expense in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

11.4 IRREGULAR EXPENDITURE

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No. 56 of 2003), the Municipal Systems Act (Act No. 32 of 2000), the Public Office Bearers Act, and (Act. No. 20 of 1998) or is in contravention of the Municipality's Supply Chain Management Policy. Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance

11.5 FRUITLESS AND WASTEFUL EXPENDITURE

Fruitless and wasteful expenditure is expenditure that was made in vain and could have been avoided had reasonable care been exercised. Fruitless and wasteful expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

11.6 CONTINGENT LIABILITIES

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. A contingent liability could also be a present obligation that arises from past events, but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to the obligation or the amount of the obligation cannot be measured with sufficient reliability.

Management judgement is required when recognising and measuring contingent liabilities.

11.7 PRESENTATION OF BUDGET INFORMATION

The presentation of budget information was prepared in accordance with the best practice guidelines issued by National Treasury. The presentation of budget information is in line with the basis of accounting as per the GRAP Framework. GRAP 24: Presentation of Budget Information in Financial Statements is not yet effective. This standard brings new rules in respect of presentation of budget information.

11.8 SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

In the process of applying the Municipality's accounting policy, management has made the following significant accounting judgements, estimates and assumptions, which have the most significant effect on the amounts recognised in the financial statements:

Post retirement medical obligations and Long service awards

The cost of post retirement medical obligations and long service awards are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, expected rates of return on assets, future salary increases, mortality rates and future pension increases. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty.

Impairment of trade receivables

The calculation in respect of the impairment of debtors is based on an assessment of the extent to which debtors have defaulted on payments already due, and an assessment of their ability to make payments based on their creditworthiness. This was performed per service-identifiable categories across all classes of debtors.

Property, plant and equipment

The useful lives of property, plant and equipment are based on management's estimation. Infrastructure's useful lives are based on technical estimates of the practical useful lives for the different infrastructure types, given engineering technical knowledge of the infrastructure types and service requirements. For other assets and buildings management considers the impact of technology, availability of capital funding, service requirements and required return on assets to determine the optimum useful life expectation, where appropriate. The estimation of residual values

of assets is also based on management's judgement whether the assets will be sold or used to the end of their useful lives, and in what condition they will be at that time.

For deemed cost applied to other assets as per adoption of Directive 7, management used the depreciated cost method which was based on assumptions about the remaining duration of the assets.

For deemed cost applied to land and buildings as per adoption of Directive 7, management made use of an independent valuator. The valuator's valuation was based on assumptions about the market's buying and selling trends and the remaining duration of the assets.

Intangible assets

The useful lives of intangible assets are based on management's estimation. Management considers the impact of technology, availability of capital funding, service requirements and required return on assets to determine the optimum useful life expectation, where appropriate.

For deemed cost applied to intangible assets as per adoption of Directive 7, management used the depreciated cost method which was based on assumptions about the remaining duration of the assets.

Investment Property

The useful lives of investment property are based on management's estimation. Management considers the impact of technology, availability of capital funding, service requirements and required return on assets to determine the optimum useful life expectation, where appropriate. The estimation of residual values of assets is also based on management's judgement whether the assets will be sold or used to the end of their economic lives, and in what condition they will be at that time.

For deemed cost applied to Investment Property as per adoption of Directive 7, management made use of an independent valuator. The valuator's valuation was based on assumptions about the market's buying and selling trends and the remaining duration of the assets.

Provisions and contingent liabilities

Management judgement is required when recognising and measuring provisions and when measuring contingent liabilities. Provisions are discounted where the effect of discounting is material using actuarial valuations.

Revenue Recognition

Accounting Policy 1.23.1 on Revenue from Non-Exchange Transactions and Accounting Policy 1.23.2 on Revenue from Exchange Transactions describes the conditions under which revenue will be recognised by management of the Municipality.

In making their judgement, management considered the detailed criteria for the recognition of revenue as set out in GRAP 9: Revenue from Exchange Transactions and GRAP 23: Revenue from Non-Exchange Transactions. Specifically, whether the Municipality, when goods are sold, had

transferred to the buyer the significant risks and rewards of ownership of the goods and when services are rendered, whether the service has been performed. Revenue from the issuing of spot fines and summonses has been recognised on the accrual basis using estimates of future collections based on the actual results of prior periods. The management of the Municipality is satisfied that recognition of the revenue in the current year is appropriate.

11.9 TAXES – VALUE ADDED TAX

Revenue, expenses and assets are recognised net of the amounts of value added tax. The net amount of Value added tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position.

11.10 AMENDED DISCLOSURE POLICY

2. Amendments to accounting policies are reported as and when deemed necessary based on the relevance of any such amendment to the format and presentation of the financial statements. The principal amendments to matters disclosed in the current financial statements include fundamental errors, and the treatment of assets financed by external grants.

	2011 R	2010 R
<u>Long Service Awards</u>		
Balance 1 July	1 145 969	1 014 462
Contribution for the year	218 184	202 973
Expenditure for the year	(122 907)	(90 030)
Actuarial Loss/(Gain)	(454 542)	18 564
Total provision 30 June	786 704	1 145 969
<u>Less:</u> Transfer of Current Portion to Current Provisions - Note 5	(153 703)	(122 907)
Balance 30 June	633 001	1 023 062

	2011 R	2010 R
2. NET ASSET RESERVES		
RESERVES	710 770	1 837 177
Capital Replacement Reserve	710 770	1 837 177
Total Net Asset Reserve and Liabilities	710 770	1 837 177
2.1 The Capital Replacement Reserve is used to finance future capital expenditure from own funds.		
3. LONG TERM LIABILITIES		
Annuity Loans - At amortised cost	-	4 164 891
Capitalised Lease Liability - At amortised cost	178 186	213 587
	178 186	4 378 478
Less: Current Portion transferred to Current Liabilities	(40 877)	(713 619)
Annuity Loans - At amortised cost	-	(678 218)
Capitalised Lease Liability - At amortised cost	(40 877)	(35 401)
Total Long-term Liabilities - At amortised cost using the effective interest rate method	137 309	3 664 859
3.1 The obligations under finance leases are scheduled below:		
	Minimum lease payments	
Amounts payable under finance leases:		
Payable within one year	64 020	64 020
Payable within two to five years	165 385	229 405
Payable after five years	-	-
	229 405	293 425
Less: Future finance obligations	(51 219)	(79 838)
Present value of finance lease obligations	178 186	213 587
Refer to Appendix A for descriptions, maturity dates and effective interest rates of structured loans and finance.		
Finance Leases are secured by property, plant and equipment - Note 10		
4. NON-CURRENT EMPLOYEE BENEFITS		
Provision for Post Retirement Health Care Benefits	14 659 220	13 452 991
Continued operations	7 845 534	13 452 991
Discontinued operations - Note 45	6 813 686	-
Provision for Long Service Awards	633 001	1 023 062
Total Non-current Employee Benefits	15 292 221	14 476 053
<u>Post Retirement Health Care Benefits</u>		
Balance 1 July	14 527 891	14 348 468
Contribution for the year	1 461 268	1 474 082
Expenditure for the year	(1 074 900)	(948 708)
Actuarial Loss/(Gain)	919 317	(345 951)
Total provision 30 June	15 833 576	14 527 891
Less: Transfer of Current Portion to Current Provisions - Note 5	(1 174 356)	(1 074 900)
Balance 30 June	14 659 220	13 452 991

4.1 Provision for Post Retirement Health Care Benefits

The Post Retirement Health Care Benefit Plan is a defined benefit plan, of which the members are made up as follows:

	2011 R	2010 R
In-service (employee) members	50	71
In-service (employee) non-members	18	48
Continuation members (e.g. Retirees, widows, orphans)	46	47
Total Members	114	166

The liability in respect of past service has been estimated to be as follows:

In-service members	1 850 410	2 556 005
In-service non-members		
Continuation members	13 983 166	11 971 886
Total Liability	15 833 576	14 527 891

The municipality makes monthly contributions for health care arrangements to the following medical aid schemes:

Bonitas
Hosmed
LA Health
Key Health, and
SAMWU Medical Aid

The Current-service Cost for the ensuing year is estimated to be R187 577, whereas the Interest Cost for the next year is estimated to be R1 261 518.

	2011 %	2010 %
Key actuarial assumptions used:		
i) Rate of interest		
Discount rate	8.27	8.94
Health Care Cost Inflation Rate	7.21	6.52
Net Effective Discount Rate	0.99	2.27

ii) Mortality rates

The PA 90 ultimate table, rated down by 1 year of age was used by the actuaries.

iii) Normal retirement age

The normal retirement age for employees of the municipality is 60 years.

	2011 R	2010 R
The amounts recognised in the Statement of Financial Position are as follows:		
Present value of fund obligations	786 705	1 145 969
Fair value of plan assets	-	-
	<u>786 705</u>	<u>1 145 969</u>
Unrecognised past service cost	-	-
Unrecognised actuarial gains/(losses)	-	-
Present value of unfunded obligations	-	-
Net liability/(asset)	<u>786 705</u>	<u>1 145 969</u>

Reconciliation of present value of fund obligation:

Present value of fund obligation at the beginning of the year	1 145 969	1 014 462
Total expenses	95 278	112 943
Current service cost	123 476	116 629
Interest Cost	94 709	86 344
Benefits Paid	(122 907)	(90 030)
Actuarial (gains)/losses	(454 542)	18 564
Present value of fund obligation at the end of the year	<u>786 705</u>	<u>1 145 969</u>

Reconciliation of fair value of plan assets:

Fair value of plan assets at the beginning of the year	-	-
Expected return on plan assets	-	-
Contribution: Employer	-	-
Contribution: Employee	-	-
Past service costs	-	-
Actuarial (gains)/losses	-	-
Benefits paid	-	-
Fair value of plan assets at the end of the year	<u>-</u>	<u>-</u>

Sensitivity Analysis on the Unfunded Accrued Liability

Assumption	Change	Liability (Rm)	% change
Central assumptions		0.787	
General salary inflation	1%	0.832	6%
General salary inflation	-1%	0.746	-5%
Average retirement age	-2 yrs	0.719	-9%
Average retirement age	2 yrs	0.859	9%
Withdrawal rates	-50%	0.964	23%

4.3 Retirement funds

CAPE JOINT PENSION FUND

The contribution rate payable is 9%, by the members and 18% by Council. The last actuarial valuation performed for the year ended 30 June 2010 revealed that the fund is in a sound financial position with a funding level of 100% (30 June 2009 - 100%).

Contributions paid recognised in the Statement of Financial Performance	<u>60 020</u>	<u>77 888</u>
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CAPE JOINT RETIREMENT FUND

The contribution rate paid by the members (9,0%) and Council (18,0%). The last actuarial valuation performed for the year ended 30 June 2009 revealed that the fund is in a sound financial position with a funding level of 103,3% (30 June 2008 - 105.3%).

	2011 R	2010 R
The amounts recognised in the Statement of Financial Position are as follows:		
Present value of fund obligations	15 833 576	14 527 891
Fair value of plan assets	-	-
	<u>15 833 576</u>	<u>14 527 891</u>
Unrecognised past service cost	-	-
Unrecognised actuarial gains/(losses)	-	-
Present Value of unfunded obligations	-	-
Net liability/(asset)	<u>15 833 576</u>	<u>14 527 891</u>

The municipality has elected to recognise the full increase in this defined benefit liability immediately as per IAS 19, Employee Benefits, paragraph 155 (a).

Reconciliation of present value of fund obligation:

Present value of fund obligation at the beginning of the year	14 527 891	14 348 468
Total expenses	386 368	525 374
Current service cost	209 443	212 904
Interest Cost	1 251 825	1 261 178
Benefits Paid	(1 074 900)	(948 708)
Actuarial (gains)/losses	919 317	(345 951)
Present value of fund obligation at the end of the year	<u>15 833 576</u>	<u>14 527 891</u>

Reconciliation of fair value of plan assets:

Fair value of plan assets at the beginning of the year	-	-
Expected return on plan assets	-	-
Contributions: Employer	-	-
Contributions: Employee	-	-
Past Service Costs	-	-
Actuarial (gains)/losses	-	-
Benefits Paid	-	-
Fair value of plan assets at the end of the year	<u>-</u>	<u>-</u>

Sensitivity Analysis on the Accrued Liability

	In-service members liability (Rm)	Continuation members liability (Rm)	Total liability (Rm)	% change
Assumption				
Central Assumptions	1.85	13.983	15.834	

The effect of movements in the assumptions are as follows:

	Change	In-service members liability (Rm)	Continuation members liability (Rm)	Total liability (Rm)	% change
Assumption					
Health care inflation	1%	2.237	15.239	15.834	10%
Health care inflation	-1%	1.545	12.882	17.476	-9%
Post-retirement mortality	-1 year	1.918	14.605	14.427	4%
Average retirement age	-1 year	1.986	13.983	16.523	1%
Withdrawal Rate	-50%	2.134	13.983	15.970	2%

4.2 Provision for Long Service Bonuses

The Long Service Bonus plans are defined benefit plans. As at year end, 68 employees were eligible for Long Service Bonuses.

The Current-service Cost for the ensuing year is estimated to be R116 282 whereas the Interest Cost for the next year is estimated to be R55 637.

Key actuarial assumptions used:	2011 %	2010 %
i) Rate of interest		
Discount rate	7.84	8.77
General Salary Inflation (long-term)	6.29	5.99
Net Effective Discount Rate applied to salary-related Long Service Bonuses	1.46	2.63

	2011 R	2010 R
Contributions paid recognised in the Statement of Financial Performance	448 024	255 837

DEFINED CONTRIBUTION FUNDS

Council contribute to the Government Employees Pension Fund, Municipal Council Pension Fund, IMATU Retirement Fund and SAMWU National Provident Fund which are defined contribution funds. The retirement benefit fund is subject to the Pension Fund Act, 1956, with pension being calculated on the pensionable remuneration paid. Current contributions by Council are charged against expenditure on the basis of current service costs.

Contributions paid recognised in the Statement of Financial Performance

Government Employees Pension Fund	170 941	151 128
Sanlam Retirement Fund	145 485	141 513
SAMWU National Provident Fund	349 113	381 003
	<u>665 540</u>	<u>673 644</u>

5. CURRENT EMPLOYEE BENEFITS

Staff Bonuses	335 870	655 078
Staff Leave	866 005	1 497 143
Current Portion of Non-Current Provisions	1 328 059	1 197 807
Current Portion of Post Retirement Benefits - Note 4	1 174 356	1 074 900
Current Portion of Long-Service Provisions - Note 4	153 703	122 907
Total Provisions	<u>2 529 934</u>	<u>3 350 028</u>

The movement in current provisions are reconciled as follows:

5.1 Staff Bonuses

Balance at beginning of year	655 078	605 569
Contribution to current portion	883 061	1 018 913
Expenditure incurred	(1 202 268)	(969 404)
Balance at end of year	<u>335 870</u>	<u>655 078</u>

Bonuses are being paid to all municipal staff. The balance at year end represent the portion of the bonus that have already vested for the current salary cycle. There is no possibility of reimbursement.

5.2 Staff Leave

Balance at beginning of year	1 497 143	1 417 749
Contribution to current portion	(248 489)	166 909
Expenditure incurred	(382 648)	(87 515)
Balance at end of year	<u>866 005</u>	<u>1 497 143</u>

Staff leave accrued to employees according to collective agreement. Provision is made for the full cost of accrued leave at reporting date. This provision will be realised as employees take leave. There is no possibility of reimbursement.

For more information regarding the provisions for Post Retirement Benefits and Long-term Service Awards - Refer to Note 4 to the Financial Statements.

	2011 R	2010 R
6. PAYABLES FROM EXCHANGE TRANSACTIONS		
Trade Payables	97 630	2 783 154
Payments received in advance	64 144	25 365
Other Creditors	3 877 040	12 650 229
Correction of Error - Note 35.5	-	(136 098)
Total Trade Payables	4 038 814	15 322 649

Payables are being recognised net of any discounts.

Payables are being paid within 30 days as prescribed by the MFMA. This credit period granted is considered to be consistent with the terms used in the public sector, through established practices and legislation. Discounting of trade and other payables on initial recognition is not deemed necessary.

The carrying value of trade and other payables approximates its fair value.

7. UNSPENT CONDITIONAL GOVERNMENT GRANTS AND RECEIPTS

Unspent Grants	11 685 054	13 488 397
National Government Grants	6 763 448	8 056 203
Correction of Error - Note 35.8	-	88 700
Provincial Government Grants	4 038 946	4 319 864
Other Sources	882 660	1 023 630
Less: Unpaid Grants	(1 105 408)	-
National Government Grants	-	-
Provincial Government Grants	(1 105 408)	-
Other Sources	-	-
Total Conditional Grants and Receipts	10 579 647	13 488 397

See appendix "F" for reconciliation of grants from other spheres of government. The Unspent Grants are cash-backed by term deposits. The municipality complied with the conditions attached to all grants received to the extent of revenue recognised. No grants were withheld.

8. TAXES

8.1 VAT Receivable	840 946	605 290
Correction of Error - Note 35.1	-	(20 377)
Total Taxes	840 946	584 913

VAT is payable on the receipts basis. VAT is paid over to SARS only once payment is received from debtors.

9. SHORT-TERM LOANS

The Municipality has no short term loans.

10. PROPERTY, PLANT AND EQUIPMENT

10.1 30 JUNE 2011

Reconciliation of Carrying Value	Land and Buildings R	Infrastructure R	Community R	Heritage R	Lease Assets R	Other R	Housing R	Total R
Carrying value at 1 July 2010	4 430 893	6 738 103	47 740	-	207 991	5 539 724	-	16 964 451
Cost	9 671 564	9 186 280	159 133	-	226 899	8 594 265	-	27 838 141
Original Cost	9 671 564	9 186 280	159 133	-	226 899	8 594 265	-	27 838 141
Change in Accounting Policy - Note 34.1	-	-	-	-	-	-	-	-
Accumulated Depreciation	(5 240 671)	(2 448 177)	(111 393)	-	(18 908)	(3 054 541)	-	(10 873 690)
Original Cost	(5 240 671)	(2 448 177)	(111 393)	-	(18 908)	(3 054 541)	-	(10 873 690)
Correction of Error - Note 35.4	-	-	-	-	-	-	-	-
Acquisitions	273 946	-	-	-	-	715 474	-	989 420
Capital under Construction	-	-	-	-	-	-	-	-
Depreciation	(193 221)	(267 798)	(3 183)	-	(45 380)	(1 286 015)	-	(1 795 597)
Normal Depreciation	(193 221)	(267 798)	(3 183)	-	(45 380)	(1 286 015)	-	(1 795 597)
Backlog Depreciation previously not recorded	-	-	-	-	-	-	-	-
Impairment loss	-	-	-	-	-	(83 247)	-	(83 247)
Derecognition	-	(6 407 054)	-	-	-	(118 417)	-	(6 525 471)
Cost	-	(9 080 863)	-	-	-	(398 825)	-	(9 479 688)
Accumulated Depreciation	-	2 673 809	-	-	-	280 408	-	2 954 217
Carrying value at 30 June 2011	4 511 618	63 251	44 557	-	162 611	4 767 519	-	9 549 556
Cost	9 945 509	105 417	159 133	-	226 899	8 910 914	-	19 347 872
Original Cost	9 945 509	105 417	159 133	-	226 899	8 910 914	-	19 347 872
Accumulated Depreciation	(5 433 892)	(42 165)	(114 576)	-	(64 288)	(4 143 395)	-	(9 798 316)
Original Cost	(5 433 892)	(42 165)	(114 576)	-	(64 288)	(4 143 395)	-	(9 798 316)

	2011 R	2010 R
10.3 Assets pledged as security:		
Leased Property, Plant and Equipment of R162 611 is secured for leases as set out in Note 3.		
11. INVESTMENT PROPERTY		
Net Carrying amount at 1 July	421 403	449 497
Cost	1 404 678	1 404 678
Correction of Error - Note 35.2	-	449 497
Accumulated Depreciation	(983 275)	(1 404 678)
Depreciation for the year	(28 094)	(28 094)
Net Carrying amount at 30 June	393 309	421 403
Cost	1 404 678	1 404 678
Accumulated Depreciation	(1 011 369)	(983 275)
Estimate Fair Value of Investment Property at 30 June	1 404 678	1 404 678
12. INTANGIBLE ASSETS		
Net Carrying amount at 1 July	1 406 119	1 512 067
Cost	2 251 980	2 182 358
Correction of Error - Note 35.3	-	127 452
Accumulated Amortisation	(845 861)	(797 743)
Acquisitions	200 495	69 622
Amortisation	(189 606)	(175 570)
Net Carrying amount at 30 June	1 417 008	1 406 119
Cost	2 452 475	2 251 980
Accumulated Amortisation	(1 035 467)	(845 861)
13. INVESTMENTS		
Unlisted		
Unlisted Stock: Nuweveld Co-op held for trading	1 146	1 146
Total Investments	1 146	1 146
Investments are made in terms of the municipality's Cash Management and Investment Policy, as required by means of Regulation R 308 of 1 April 2005 gazetted in the Government Gazette No 27431 of 1 April 2005 and issued by the Minister of Finance.		
14. INVENTORY		
Consumable Stores - Stationery and materials - At cost	680 932	482 367
Total Inventory	680 932	482 367
Consumable stores materials written down due to losses as identified during the annual stores counts.	6 569	18
15. RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS		
Taxes - Rates	307 969	205 439
Other Receivables	3 570 443	3 268 726
Other	3 570 443	3 215 323
Correction of Error - Note 35.7	-	53 403
Less: Provision for bad debts	3 878 411 (2 874 371)	3 474 165 (2 692 735)
Total Receivables from non-exchange transactions	1 004 040	781 430
The fair value of other receivables approximate their carrying value.		

	2011 R	2010 R
<u>(Rates): Ageing</u>		
Current (0 - 30 days)	22 278	30 095
31 - 60 Days	18 852	25 437
61 - 90 Days	16 926	22 855
+ 90 Days	249 913	127 052
Total	307 969	205 439

Summary of Debtors (Rates) by Customer Classification

	<u>Residential</u>	<u>Industrial/ Commercial</u>	<u>National and Provincial Government</u>
30 June 2011			
Current (0 - 30 days)	-	21 554	724
31 - 60 Days	-	18 239	613
61 - 90 Days	-	16 376	550
+ 90 Days	-	241 842	8 072
Sub-total	-	298 011	9 959
Less: Provision for bad debts	-	-	-
Total debtors by customer classification	-	298 011	9 959

Summary of Debtors (Rates) by Customer Classification

	<u>Residential</u>	<u>Industrial/ Commercial</u>	<u>National and Provincial Government</u>
30 June 2010			
Current (0 - 30 days)	-	29 120	975
31 - 60 Days	-	24 613	824
61 - 90 Days	-	22 115	741
+ 90 Days	-	122 936	4 117
Sub-total	-	198 784	6 656
Less: Provision for bad debts	-	-	-
Total debtors by customer classification	-	198 784	6 656

Reconciliation of Provision for Bad Debts

Balance at beginning of year	2 692 735	2 922 010
Contribution to provision	181 636	-
Bad Debts written off against provision	-	(184 851)
Reversal of provision	-	(44 424)
Balance at end of year	2 874 371	2 692 735

The total amount of this provision is R2 874 371 and consist of:

Taxes	-	-
Other	2 874 371	2 692 735
Total Provision for Bad Debts on Trade Receivables from non-exchange transactions	2 874 371	2 692 735

The provision for doubtful debts on debtors (loans and receivables) exists due to the possibility that not all debts will be recovered. Loans and receivables were assessed individually and grouped together at the Statement of Financial Position date as financial assets with similar credit risk characteristics and collectively assessed for impairment.

16. OPERATING LEASE ARRANGEMENTS

16.1 The Municipality as Lessor

Straight-line of Operating Leases	50 663	33 288
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	2011 R	2010 R
<u>Reconciliation</u>		
Balance at the beginning of the year	33 289	10 023
Correction of Error - Note 35.6	-	5 200
Movement during the year	17 374	18 066
Balance at the end of the year	50 663	33 289

At the Statement of Financial Position date, where the municipality acts as a lessor under operating leases, it will receive operating lease income as follows:

Up to 1 Year	50 312	45 738
1 to 5 Years	256 847	233 497
More than 5 Years	216 845	290 506
Total Operating Lease Arrangements	524 003	569 741

This operating lease income determined from contracts that have a specific condition income. Property is rent at market related tariffs with a annual increase of 10%. The operating lease agreement expires in December 2018.

17. BANK ACCOUNTS

17.1 Cash and Cash Equivalents

Current Accounts	145 912	4 798 801
Call Investments Deposits	63 102 116	71 985 747
Cash Floats	755	755
Total Cash and Cash Equivalents - Assets	63 248 782	76 785 303

Cash and cash equivalents comprise cash held and short term deposits. The carrying amount of these assets approximates their fair value.

Call Investments Deposits to an amount of R17 969 766 are held to fund the Unspent Conditional Grants (2010: R16 615 904).

The municipality has the following bank accounts:

Current Accounts

ABSA Bank Limited - Account Number 2210000014 (Primary Bank Account):	145 912	4 798 801
	145 912	4 798 801

	2011 R	2010 R
<u>Reconciliation</u>		
Balance at the beginning of the year	33 289	10 023
Correction of Error - Note 35.6	-	5 200
Movement during the year	17 374	18 066
Balance at the end of the year	50 663	33 289

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Current Accounts

ABSA Bank Limited - Account Number 2210000014 (Primary Bank Account):	145 912	4 798 801
	145 912	4 798 801

	2011 R	2010 R
Call Investment Deposits		
ABSA Bank Limited - Account Number 2218151720 (Capital Replacement Reserve):	1 288 162	2 000
BOE Bank - Account Number NAMA001/83 (Call Deposit):	35 135 572	32 986 887
ABSA Bank Limited - Account Number 90 6918 2890 (Call Deposit):	648 963	19 648 963
ABSA Bank Limited - Account Number 20 6629 1015 (Call Deposit):	6 645 993	1 374 340
ABSA Bank Limited - Account Number 20 7051 8265 (Call Deposit):	281 574	-
ABSA Bank Limited - Account Number 90 7473 1242 (Leave Reserve):	1 130 282	1 355 850
ABSA Bank Limited - Account Number 91 1091 2063 (Finance Management Grant):	79 132	125 741
Nuweveld Coop (Members Interest Fund):	1 804	1 804
ABSA Bank Limited - Account Number 22 1815 8326 (Contingency Fund):	869 434	917 927
ABSA Bank Limited - Account Number 91 0726 5605 (Municipal System Improvement Grant):	22 742	184 599
ABSA Bank Limited - Account Number 91 9251 2118 (Swartzkop Sportgrounds):	207 475	207 475
ABSA Bank Limited - Account Number 91 9251 2477 (Spoegrivier Sportgrounds):	5 290	5 290
ABSA Bank Limited - Account Number 91 0726 6025 (Richtersveld Special Fund):	3 013	92 263
ABSA Bank Limited - Account Number 91 4340 6867 (EPWP):	341 240	135 792
ABSA Bank Limited - Account Number 91 0726 7005 (IDP):	392 556	420 906
ABSA Bank Limited - Account Number 91 0726 7128 (Fencing):	42 555	42 555
ABSA Bank Limited - Account Number 91 0726 7209 (Kamiesberg Special Fund):	80 757	146 055
ABSA Bank Limited - Account Number 91 0726 7306 (Border Fencing):	54 239	54 239
ABSA Bank Limited - Account Number 91 0726 7372 (SA Projects):	205 909	205 909
ABSA Bank Limited - Account Number 90 7473 1365 (Maintenance Fund):	22 233	22 233
ABSA Bank Limited - Account Number 91 0726 7770 (Sakrivier Bridge):	512 623	512 623
ABSA Bank Limited - Account Number 91 0726 5485 (Komaggas Tar Road):	4 371	4 371
ABSA Bank Limited - Account Number 91 0809 6615 (Namakwa Sanitation Bucket System):	213 395	213 395
ABSA Bank Limited - Account Number 91 8438 7915 (Fire Equipment Grant):	548 954	307 515
ABSA Bank Limited - Account Number 91 0809 6924 (PIMMS):	1 081 811	1 439 759
ABSA Bank Limited - Account Number 91 0991 1123 (Department of Transport):	4 376 205	4 336 122
ABSA Bank Limited - Account Number 91 1641 4273 (Drought Relief):	73 874	357 262
ABSA Bank Limited - Account Number 91 1931 2230 (Electronic Filing System):	15 227	15 227
ABSA Bank Limited - Account Number 91 2120 8647 (Training Fund SETA):	619 351	537 418
ABSA Bank Limited - Account Number 91 2287 0758 (MIG):	7 679 608	6 306 104
ABSA Bank Limited - Account Number 91 2356 3504 (Work for Water):	517 772	12 228
ABSA Bank Limited - Account Number 91 3889 8455 (Brandvlei Electricity Network):	-	12 896
	63 102 116	71 985 747
Details of bank accounts are as follow:		
ABSA Bank Limited - Account Number 2210000014 (Primary Bank Account):		
Cash book balance at beginning of year	4 798 801	7 013 050
Cash book balance at end of year	145 912	4 798 801
Bank statement balance at beginning of year	5 308 833	7 107 332
Bank statement balance at end of year	3 378 654	5 308 833
ABSA Bank Limited - Account Number 2218151720 (Capital Replacement Reserve):		
Cash book balance at beginning of year	2 000	1 836 325
Cash book balance at end of year	1 288 162	2 000
Bank statement balance at beginning of year	2 000	1 836 325
Bank statement balance at end of year	1 288 580	2 000
BOE Bank - Account Number NAMA001/83 (Call Deposit):		
Cash book balance at beginning of year	32 986 887	30 582 618
Cash book balance at end of year	35 135 572	32 986 887
Bank statement balance at beginning of year	32 986 887	30 582 618
Bank statement balance at end of year	35 135 572	32 986 887
ABSA Bank Limited - Account Number 90 6918 2890 (Call Deposit):		
Cash book balance at beginning of year	19 648 963	4 648 963
Cash book balance at end of year	648 963	19 648 963
Bank statement balance at beginning of year	19 648 963	4 648 963
Bank statement balance at end of year	650 617	19 648 963

	2011 R	2010 R
ABSA Bank Limited - Account Number 20 6629 1015 (Call Deposit):		
Cash book balance at beginning of year	1 374 340	1 288 705
Cash book balance at end of year	6 645 993	1 374 340
Bank statement balance at beginning of year	1 374 340	1 288 705
Bank statement balance at end of year	3 645 993	1 374 340
ABSA Bank Limited - Account Number 20 7051 8265 (Call Deposit):		
Cash book balance at beginning of year	-	-
Cash book balance at end of year	281 574	-
Bank statement balance at beginning of year	-	-
Bank statement balance at end of year	281 574	-
ABSA Bank Limited - Account Number 90 7473 1242 (Leave Reserve):		
Cash book balance at beginning of year	1 355 850	600 368
Cash book balance at end of year	1 130 282	1 355 850
Bank statement balance at beginning of year	1 355 850	600 368
Bank statement balance at end of year	1 133 167	1 355 850
ABSA Bank Limited - Account Number 91 1091 2063 (Finance Management Grant):		
Cash book balance at beginning of year	125 741	568 764
Cash book balance at end of year	79 132	125 741
Bank statement balance at beginning of year	125 741	568 764
Bank statement balance at end of year	79 348	125 741
ABSA Bank Limited - Account Number 16 2814 9972 (Middelpoos Account):		
Cash book balance at beginning of year	-	21 240
Cash book balance at end of year	-	-
Bank statement balance at beginning of year	-	21 240
Bank statement balance at end of year	-	-
Nuweveld Coop (Members Interest Fund):		
Cash book balance at beginning of year	1 804	1 804
Cash book balance at end of year	1 804	1 804
Bank statement balance at beginning of year	1 804	1 804
Bank statement balance at end of year	1 804	1 804
ABSA Bank Limited - Account Number 22 1815 8326 (Contingency Fund):		
Cash book balance at beginning of year	917 927	938 463
Cash book balance at end of year	869 434	917 927
Bank statement balance at beginning of year	917 927	938 463
Bank statement balance at end of year	869 692	917 927
ABSA Bank Limited - Account Number 91 0726 5605 (Municipal System Improvement Grant):		
Cash book balance at beginning of year	184 599	1 546 595
Cash book balance at end of year	22 742	184 599
Bank statement balance at beginning of year	184 599	1 546 595
Bank statement balance at end of year	19 897	184 599
ABSA Bank Limited - Account Number 92 1213 8319 (Sport Development Grant):		
Cash book balance at beginning of year	-	17 700
Cash book balance at end of year	-	-
Bank statement balance at beginning of year	-	17 700
Bank statement balance at end of year	-	-

	2011 R	2010 R
ABSA Bank Limited - Account Number 91 0726 5752 (Nieuwoudtville Access Road):		
Cash book balance at beginning of year	-	126 312
Cash book balance at end of year	-	-
Bank statement balance at beginning of year	-	126 312
Bank statement balance at end of year	-	-
ABSA Bank Limited - Account Number 91 9251 2118 (Swartzkop Sportgrounds):		
Cash book balance at beginning of year	207 475	207 475
Cash book balance at end of year	207 475	207 475
Bank statement balance at beginning of year	207 475	207 475
Bank statement balance at end of year	208 004	207 475
ABSA Bank Limited - Account Number 91 9251 2477 (Spoegrivier Sportgrounds):		
Cash book balance at beginning of year	5 290	5 290
Cash book balance at end of year	5 290	5 290
Bank statement balance at beginning of year	5 290	5 290
Bank statement balance at end of year	5 303	5 290
ABSA Bank Limited - Account Number 91 0726 6025 (Richtersveld Special Fund):		
Cash book balance at beginning of year	92 263	40 713
Cash book balance at end of year	3 013	92 263
Bank statement balance at beginning of year	92 263	40 713
Bank statement balance at end of year	3 029	92 263
ABSA Bank Limited - Account Number 91 4340 6867 (EPWP):		
Cash book balance at beginning of year	135 792	135 792
Cash book balance at end of year	341 240	135 792
Bank statement balance at beginning of year	135 792	135 792
Bank statement balance at end of year	342 113	135 792
ABSA Bank Limited - Account Number 91 0726 7005 (IDP):		
Cash book balance at beginning of year	420 906	256 167
Cash book balance at end of year	392 556	420 906
Bank statement balance at beginning of year	420 906	256 167
Bank statement balance at end of year	393 577	420 906
ABSA Bank Limited - Account Number 91 0726 7128 (Fencing):		
Cash book balance at beginning of year	42 555	42 555
Cash book balance at end of year	42 555	42 555
Bank statement balance at beginning of year	42 555	42 555
Bank statement balance at end of year	42 664	42 555
ABSA Bank Limited - Account Number 91 0726 7209 (Kamiesberg Special Fund):		
Cash book balance at beginning of year	146 055	126 794
Cash book balance at end of year	80 757	146 055
Bank statement balance at beginning of year	146 055	126 794
Bank statement balance at end of year	81 013	146 055
ABSA Bank Limited - Account Number 91 0726 7306 (Border Fencing):		
Cash book balance at beginning of year	54 239	54 239
Cash book balance at end of year	54 239	54 239
Bank statement balance at beginning of year	54 239	54 239
Bank statement balance at end of year	54 378	54 239

	2011 R	2010 R
ABSA Bank Limited - Account Number 91 0726 7372 (SA Projects):		
Cash book balance at beginning of year	205 909	206 423
Cash book balance at end of year	205 909	205 909
Bank statement balance at beginning of year	205 909	206 423
Bank statement balance at end of year	206 434	205 909
ABSA Bank Limited - Account Number 90 7473 1365 (Maintenance Fund):		
Cash book balance at beginning of year	22 233	22 233
Cash book balance at end of year	22 233	22 233
Bank statement balance at beginning of year	22 233	22 233
Bank statement balance at end of year	22 290	22 233
ABSA Bank Limited - Account Number 91 0726 7770 (Sakrivier Bridge):		
Cash book balance at beginning of year	512 623	730 347
Cash book balance at end of year	512 623	512 623
Bank statement balance at beginning of year	512 623	730 347
Bank statement balance at end of year	513 931	512 623
ABSA Bank Limited - Account Number 91 0726 5485 (Komaggas Tar Road):		
Cash book balance at beginning of year	4 371	4 371
Cash book balance at end of year	4 371	4 371
Bank statement balance at beginning of year	4 371	4 371
Bank statement balance at end of year	4 382	4 371
ABSA Bank Limited - Account Number 91 0809 6615 (Namakwa Sanitation Bucket System):		
Cash book balance at beginning of year	213 395	239 583
Cash book balance at end of year	213 395	213 395
Bank statement balance at beginning of year	213 395	239 583
Bank statement balance at end of year	213 940	213 395
ABSA Bank Limited - Account Number 91 8438 7915 (Fire Equipment Grant):		
Cash book balance at beginning of year	307 515	345 975
Cash book balance at end of year	548 954	307 515
Bank statement balance at beginning of year	307 515	345 975
Bank statement balance at end of year	550 360	307 515
ABSA Bank Limited - Account Number 91 0809 6924 (PIMMS):		
Cash book balance at beginning of year	1 439 759	573 824
Cash book balance at end of year	1 081 811	1 439 759
Bank statement balance at beginning of year	1 439 759	573 824
Bank statement balance at end of year	1 087 962	1 439 759
ABSA Bank Limited - Account Number 91 0991 1123 (Department of Transport):		
Cash book balance at beginning of year	4 336 122	6 725 248
Cash book balance at end of year	4 376 205	4 336 122
Bank statement balance at beginning of year	4 336 122	6 725 248
Bank statement balance at end of year	4 386 398	4 336 122
ABSA Bank Limited - Account Number 91 1641 4273 (Drought Relief):		
Cash book balance at beginning of year	357 262	749 032
Cash book balance at end of year	73 874	357 262
Bank statement balance at beginning of year	357 262	749 032
Bank statement balance at end of year	74 063	357 262

	2011 R	2010 R
ABSA Bank Limited - Account Number 91 1931 2230 (Electronic Filing System):		
Cash book balance at beginning of year	15 227	15 227
Cash book balance at end of year	15 227	15 227
Bank statement balance at beginning of year	15 227	15 227
Bank statement balance at end of year	15 266	15 227
ABSA Bank Limited - Account Number 91 2120 8647 (Training Fund SETA):		
Cash book balance at beginning of year	537 418	447 808
Cash book balance at end of year	619 351	537 418
Bank statement balance at beginning of year	537 418	447 808
Bank statement balance at end of year	620 932	537 418
ABSA Bank Limited - Account Number 91 2287 0758 (MIG):		
Cash book balance at beginning of year	6 306 104	1 691 020
Cash book balance at end of year	7 679 608	6 306 104
Bank statement balance at beginning of year	6 306 104	1 691 020
Bank statement balance at end of year	7 699 209	6 306 104
ABSA Bank Limited - Account Number 91 2356 3504 (Work for Water):		
Cash book balance at beginning of year	12 228	72 915
Cash book balance at end of year	517 772	12 228
Bank statement balance at beginning of year	12 228	72 915
Bank statement balance at end of year	518 981	12 228
ABSA Bank Limited - Account Number 91 3889 8455 (Brandvlei Electricity Network):		
Cash book balance at beginning of year	12 896	12 896
Cash book balance at end of year	-	12 896
Bank statement balance at beginning of year	12 896	12 896
Bank statement balance at end of year	-	12 896
18. GOVERNMENT GRANTS AND SUBSIDIES		
<u>Unconditional</u>		
Equitable Share	5 704 000	2 846 812
<u>Conditional</u>		
Grants and Donations	50 056 294	50 047 055
Subsidies	50 056 294	47 786 867
	-	2 260 188
Total Government Grants and Subsidies	55 760 294	52 893 867
<u>Disclosed as follows:</u>		
Government Grants and Subsidies - Operating	39 514 134	35 241 968
Government Grants and Subsidies - Capital	63 508	-
Government Grants and Subsidies - Discontinued Operations - Note 33	16 182 652	17 651 899
Total Government Grants and Subsidies	55 760 294	52 893 867
18.1 <u>Equitable Share</u>		
Opening balance	-	-
Grants received	5 704 000	2 846 812
Conditions met - Operating	(5 704 000)	(2 846 812)
Conditions met - Capital	-	-
Conditions still to be met	-	-

The Equitable Share is the unconditional share of the revenue raised nationally and is being allocated in terms of Section 214 of the Constitution (Act 108 of 1996) to the municipality by the National Treasury.

	2011 R	2010 R
ABSA Bank Limited - Account Number 91 1931 2230 (Electronic Filing System):		
Cash book balance at beginning of year	15 227	15 227
Cash book balance at end of year	15 227	15 227
Bank statement balance at beginning of year	15 227	15 227
Bank statement balance at end of year	15 266	15 227
ABSA Bank Limited - Account Number 91 2120 8647 (Training Fund SETA):		
Cash book balance at beginning of year	537 418	447 808
Cash book balance at end of year	619 351	537 418
Bank statement balance at beginning of year	537 418	447 808
Bank statement balance at end of year	620 932	537 418
ABSA Bank Limited - Account Number 91 2287 0758 (MIG):		
Cash book balance at beginning of year	6 306 104	1 691 020
Cash book balance at end of year	7 679 608	6 306 104
Bank statement balance at beginning of year	6 306 104	1 691 020
Bank statement balance at end of year	7 699 209	6 306 104
ABSA Bank Limited - Account Number 91 2356 3504 (Work for Water):		
Cash book balance at beginning of year	12 228	72 915
Cash book balance at end of year	517 772	12 228
Bank statement balance at beginning of year	12 228	72 915
Bank statement balance at end of year	518 981	12 228
ABSA Bank Limited - Account Number 91 3889 8455 (Brandvlei Electricity Network):		
Cash book balance at beginning of year	12 896	12 896
Cash book balance at end of year	-	12 896
Bank statement balance at beginning of year	12 896	12 896
Bank statement balance at end of year	-	12 896
18. GOVERNMENT GRANTS AND SUBSIDIES		
<u>Unconditional</u>		
Equitable Share	5 704 000	2 846 812
<u>Conditional</u>		
Grants and Donations	50 056 294	50 047 055
Subsidies	50 056 294	47 786 867
	-	2 260 188
Total Government Grants and Subsidies	55 760 294	52 893 867
<u>Disclosed as follows:</u>		
Government Grants and Subsidies - Operating	39 514 134	35 241 968
Government Grants and Subsidies - Capital	63 508	-
Government Grants and Subsidies - Discontinued Operations - Note 33	16 182 652	17 651 899
Total Government Grants and Subsidies	55 760 294	52 893 867
18.1 <u>Equitable Share</u>		
Opening balance	-	-
Grants received	5 704 000	2 846 812
Conditions met - Operating	(5 704 000)	(2 846 812)
Conditions met - Capital	-	-
Conditions still to be met	-	-

The Equitable Share is the unconditional share of the revenue raised nationally and is being allocated in terms of Section 214 of the Constitution (Act 108 of 1996) to the municipality by the National Treasury.

	2011 R	2010 R
18.2 <u>Local Government Financial Management Grant (FMG)</u>		
Opening balance	125 741	488 076
Grants received	1 000 000	750 000
Conditions met - Operating	(1 091 354)	(1 112 335)
Conditions met - Capital	(31 253)	-
Conditions still to be met	3 134	125 741
The Financial Management Grant is paid by National Treasury to municipalities to help implement the financial reforms required by the Municipal Finance Management Act (MFMA), 2003. The FMG Grant also pays for the cost of the Financial Management Internship Programme (e.g. salary costs of the Financial Management Interns).		
18.3 <u>Municipal Systems Improvement Grant (MSIG)</u>		
Opening balance	184 599	1 529 249
Grants received	150 000	(1 256 433)
Conditions met - Operating	(332 482)	(88 217)
Conditions met - Capital	-	-
Conditions still to be met	2 117	184 599
The Municipal Systems Improvement Grant was used for building in-house capacity to perform municipal functions and stabilise institutional and governance systems.		
18.4 <u>Municipal Infrastructure Grant (MIG)</u>		
Opening balance	6 306 104	1 655 104
Grants received	5 242 000	4 651 000
Conditions met - Operating	(5 919 041)	-
Conditions met - Capital	-	-
Conditions still to be met	5 629 063	6 306 104
The Municipal Infrastructure Grant was used to upgrade infrastructure in previously disadvantaged areas.		
18.5 <u>RSC Levies Replacement Grant</u>		
Opening balance	-	-
Grants received	22 808 508	22 142 000
Conditions met - Operating	(22 808 508)	(22 142 000)
Conditions met - Capital	-	-
Conditions still to be met	-	-
This is an unconditional grant established to make provision for income for the District Municipalities after the RSC levies were terminated		
18.6 <u>Councillors Remuneration Grant</u>		
Opening balance	-	-
Grants received	778 000	694 000
Conditions met - Operating	(778 000)	(694 000)
Conditions met - Capital	-	-
Conditions still to be met	-	-
This is an unconditional grant to co-funding the councillors remuneration		
18.7 <u>Planning and Implementation Management System</u>		
Opening balance	1 528 459	576 334
Correction of Error - Note 35.8	-	88 700
Grants received	600 001	1 900 759
Conditions met - Operating	(995 860)	(1 037 334)
Conditions met - Capital	(3 465)	-
Conditions still to be met	1 129 135	1 528 459
This is a planning reserve and is utilised for planning purposes		

	2011 R	2010 R
18.8 <u>Border Fencing</u>		
Opening balance	54 239	54 239
Grants received	-	-
Conditions met - Operating	-	-
Conditions met - Capital	-	-
Conditions still to be met	<u>54 239</u>	<u>54 239</u>

This grant was established to make provision for fencing next to public roads.

18.9 <u>Health Inspector Subsidy</u>		
Opening balance	-	-
Grants received	-	1 385 188
Conditions met - Operating	-	(1 385 188)
Conditions met - Capital	-	-
Conditions still to be met	<u>-</u>	<u>-</u>

This unconditional grant is part of the equitable share and services to subsidise municipal health care.

18.10 <u>Civil Defence Subsidy</u>		
Opening balance	-	-
Grants received	-	875 000
Conditions met - Operating	-	(875 000)
Conditions met - Capital	-	-
Conditions still to be met	<u>-</u>	<u>-</u>

This conditional grant is to establish a disaster management centre.

18.11 <u>Department of Transport</u>		
Opening balance	632 143	6 739 732
Grants received	14 445 102	15 175 000
Conditions met - Operating	(16 182 652)	(21 282 590)
Conditions met - Capital	-	-
Conditions still to be met	<u>(1 105 408)</u>	<u>632 143</u>

This is the allocation by the Department of Transport in the Northern Cape to maintain the roads function on behalf of the Department of Transport.

18.12 <u>Drought Relief</u>		
Opening balance	357 262	743 951
Grants received	-	-
Conditions met - Operating	(283 388)	(386 689)
Conditions met - Capital	-	-
Conditions still to be met	<u>73 874</u>	<u>357 262</u>

This grant is to assist communities in drought relief.

18.13 <u>Expanded Public Works Program</u>		
Opening balance	135 792	135 792
Grants received	206 000	-
Conditions met - Operating	-	-
Conditions met - Capital	-	-
Conditions still to be met	<u>341 792</u>	<u>135 792</u>

This grant service to establish work in local communities.

	2011 R	2010 R
18.14 <u>Fire Equipment Grant</u>		
Opening balance	307 515	316 568
Grants received	350 000	320 000
Conditions met - Operating	(86 391)	(329 053)
Conditions met - Capital	(28 790)	-
Conditions still to be met	<u>542 334</u>	<u>307 515</u>
This grant is to assist local municipalities to render a fire service.		
18.15 <u>Integrated Development Planning</u>		
Opening balance	420 906	253 633
Grants received	-	205 674
Conditions met - Operating	(28 350)	(38 401)
Conditions met - Capital	-	-
Conditions still to be met	<u>392 556</u>	<u>420 906</u>
This reserve assist the municipality to compile and maintain the Integrated Development Plan.		
18.16 <u>Komaggas Road</u>		
Opening balance	4 371	4 371
Grants received	-	-
Conditions met - Operating	-	-
Conditions met - Capital	-	-
Conditions still to be met	<u>4 371</u>	<u>4 371</u>
This grant was used to build the Kommagas road.		
18.17 <u>SA Projects</u>		
Opening balance	205 909	205 909
Grants received	-	-
Conditions met - Operating	-	-
Conditions met - Capital	-	-
Conditions still to be met	<u>205 909</u>	<u>205 909</u>
This grant is to create work programmes in local communities.		
18.18 <u>Namaqua Sanitation Bucket System</u>		
Opening balance	213 395	239 583
Grants received	-	-
Conditions met - Operating	-	(26 188)
Conditions met - Capital	-	-
Conditions still to be met	<u>213 395</u>	<u>213 395</u>
This grant was used to replace the old bucket systems to VIP and waterborne toilet systems.		
18.19 <u>NC Housing</u>		
Opening balance	500 000	500 000
Grants received	-	-
Conditions met - Operating	-	-
Conditions met - Capital	-	-
Conditions still to be met	<u>500 000</u>	<u>500 000</u>
This grant is to establish a housing unit at the District level.		

	2011 R	2010 R
18.20 <u>Middelpos</u>		
Opening balance	-	21 240
Grants received	-	-
Conditions met - Operating	-	(21 240)
Conditions met - Capital	-	-
Conditions still to be met	-	-

This grant was used to do a research on the establishment of a town in Middelpos.

18.21 <u>Nieuwoudtville Access Road</u>		
Opening balance	-	126 312
Grants received	900 000	-
Conditions met - Operating	(551 523)	(126 312)
Conditions met - Capital	-	-
Conditions still to be met	348 477	-

An access road was build in Nieuwoudtville.

18.22 <u>Sakrivier Bridge</u>		
Opening balance	512 623	730 347
Grants received	-	-
Conditions met - Operating	-	(217 724)
Conditions met - Capital	-	-
Conditions still to be met	512 623	512 623

This grant was used to rebuild the sakriver bridge after flooding .

18.23 <u>Contingency Fund</u>		
Opening balance	917 927	938 463
Grants received	-	-
Conditions met - Operating	(126 333)	(20 536)
Conditions met - Capital	-	-
Conditions still to be met	791 594	917 927

This grant originated from the fuel levy and is used for projects determined by council.

18.24 <u>Fencing</u>		
Opening balance	42 555	42 555
Grants received	-	-
Conditions met - Operating	-	-
Conditions met - Capital	-	-
Conditions still to be met	42 555	42 555

This grant was established to make provision for fencing next to public roads.

18.25 <u>Electronic Filing System</u>		
Opening balance	15 227	15 227
Grants received	-	-
Conditions met - Operating	-	-
Conditions met - Capital	-	-
Conditions still to be met	15 227	15 227

The grant was used to implement an electronic filing system.

	2011 R	2010 R
18.26 <u>Sport Development Grant</u>		
Opening balance	-	17 700
Grants received	-	-
Conditions met - Operating	-	(17 700)
Conditions met - Capital	-	-
Conditions still to be met	-	-
This grant was to assist communities to establish sport development		
18.27 <u>Brandvlei Electricity Network</u>		
Opening balance	12 896	12 896
Grants received	-	-
Conditions met - Operating	(12 896)	-
Conditions met - Capital	-	-
Conditions still to be met	-	12 896
This grant was used to upgrade the electricity network in Brandvlei.		
18.28 <u>Maintenance Fund</u>		
Opening balance	22 233	22 233
Grants received	-	-
Conditions met - Operating	-	-
Conditions met - Capital	-	-
Conditions still to be met	22 233	22 233
This grant was established to assist in the maintaining of assets.		
18.29 <u>Spoegrivier Sport Ground (Lotto)</u>		
Opening balance	5 290	5 290
Grants received	-	-
Conditions met - Operating	-	-
Conditions met - Capital	-	-
Conditions still to be met	5 290	5 290
This grant was received to build a sports ground in Spoegrivier.		
18.30 <u>Swartzkop Sport Ground (Lotto)</u>		
Opening balance	207 475	207 475
Grants received	-	-
Conditions met - Operating	-	-
Conditions met - Capital	-	-
Conditions still to be met	207 475	207 475
This grant was received to build a sports ground in Swatzkop.		
18.31 <u>Training Reserve (SETA)</u>		
Opening balance	537 418	447 808
Grants received	81 934	89 610
Conditions met - Operating	-	-
Conditions met - Capital	-	-
Conditions still to be met	619 351	537 418
This is the amount claimed back from SETA for training and is utilised for training.		

	2011 R	2010 R
18.32 <u>Kamiesberg Special Fund</u>		
Opening balance	146 055	112 720
Grants received	497 000	630 000
Conditions met - Operating	(617 758)	(596 664)
Conditions met - Capital	-	-
Conditions still to be met	25 297	146 055
This grant is used to purify the water in the local settlements.		
18.33 <u>Richtersveld Special Fund</u>		
Opening balance	92 263	40 713
Grants received	53 000	232 000
Conditions met - Operating	(142 250)	(180 450)
Conditions met - Capital	-	-
Conditions still to be met	3 013	92 263
This grant is used to purify the water in the local settlements.		
18.34 <u>Total Grants</u>		
Opening balance	13 488 397	16 183 520
Correction of Error - Note 35.8	-	88 700
Grants received	52 815 544	50 640 610
Conditions met - Operating	(55 660 786)	(53 424 432)
Conditions met - Capital	(63 508)	-
Conditions still to be met/(Grant expenditure to be recovered)	10 579 647	13 488 397
<u>Disclosed as follows:</u>		
Unspent Conditional Government Grants and Receipts	11 685 054	13 488 397
Unpaid Conditional Government Grants and Receipts	(1 105 408)	-
Total	10 579 647	13 488 397
19. OTHER REVENUE FROM NON-EXCHANGE TRANSACTIONS		
Sundries	-	10 479
Total Other Revenue from Non-Exchange Transactions	-	10 479
20. RENTAL OF FACILITIES AND EQUIPMENT		
Rental of facilities	577 317	592 074
Total Rental of Facilities and Equipment	577 317	592 074
21. INTEREST EARNED - EXTERNAL INVESTMENTS		
Bank	-	2 125
Financial assets	3 407 420	3 680 530
Total Interest Earned - External Investments	3 407 420	3 682 655
22. INTEREST EARNED - OUTSTANDING RECEIVABLES		
Other Receivables	202 005	-
Total Interest Earned - Outstanding Receivables	202 005	-
23. OTHER INCOME		
Admin Fees	567 244	352 000
Bad Debt Recovered	550	3 414
Sundries	209 864	328 515
Insurance Claims	60 133	12 794
Total Other Income	837 790	696 723

	2011 R	2010 R
24. EMPLOYEE RELATED COSTS		
Employee Related Costs - Salaries and Wages	14 712 805	14 205 632
Employee Related Costs - Contributions for UIF, Pensions and Medical Aids	3 570 577	3 624 901
Travel, Motor Car, Accommodation, Subsistence and Other Allowances	951 436	1 111 892
Housing Benefits and Allowances	464 115	578 983
Overtime Payments	258 718	336 033
Bonuses	634 571	1 185 822
Provision for leave	248 489	166 909
Contribution to provision - Long Service Awards - Note 4	123 475	116 629
Contribution to provision - Post Retirement Medical - Note 4	209 443	212 904
	<u>21 173 628</u>	<u>21 539 706</u>
Less: Employee Costs allocated elsewhere	-	-
Total Employee Related Costs	<u>21 173 628</u>	<u>21 539 706</u>
Disclosed as follows:		
Continued Operations	13 126 013	13 346 787
Discontinued Operations	8 047 615	8 192 919
Total Employee Related Costs	<u>21 173 628</u>	<u>21 539 706</u>
KEY MANAGEMENT PERSONNEL		
Key management personnel are all appointed on 5-year fixed contracts. There are no post-employment or termination benefits payable to them at the end of the contract periods.		
REMUNERATION OF KEY MANAGEMENT PERSONNEL		
Remuneration of the Municipal Manager (Former)		
Annual Remuneration	-	242 221
Travelling Allowance	-	146 581
Severance Package	-	450 000
Service Bonus	-	-
Contributions to UIF, Medical and Pension Funds	-	32 498
Total	<u>-</u>	<u>871 300</u>
Remuneration of the Director : Finance (Current)		
Annual Remuneration	39 767	-
Car, Medical, House and Cellphone Allowance	18 625	-
Contributions to UIF, Medical and Pension Funds	860	-
Total	<u>59 252</u>	<u>-</u>
Remuneration of Director : Finance (Former)		
Annual Remuneration	77 014	425 964
Car, Medical, House and Cellphone Allowance	32 233	207 837
Leave payout	220 840	-
Telephone allowance	2 600	-
Service Bonus	28 880	51 372
Contributions to UIF, Medical and Pension Funds	15 543	83 560
Total	<u>377 110</u>	<u>768 733</u>
Remuneration of Internal Auditor (Currently Director: Finance)		
Annual Remuneration	301 950	303 624
Car, Medical, House and Cellphone Allowance	216 756	148 846
Service Bonus	27 450	24 742
Contributions - UIF, Medical, Pension	96 704	93 685
Total	<u>642 860</u>	<u>570 897</u>
Remuneration of Head of Human Resources		
Annual Remuneration	308 918	277 440
Car, Medical, House and Cellphone Allowance	192 329	108 126
Telephone allowance	6 000	-
Service Bonus	25 435	22 608
Contributions - UIF, Medical, Pension	59 269	54 962
Total	<u>591 951</u>	<u>463 136</u>

	2011 R	2010 R
Remuneration of Head of Environmental Health		
Annual Remuneration	329 960	303 624
Car, Medical, House and Cellphone Allowance	156 403	151 701
Telephone allowance	6 000	
Service Bonus	27 450	24 742
Contributions - UIF, Medical, Pension	87 043	91 857
Total	606 856	571 925
Remuneration of Head of PIMMS (Acting as Municipal Manager)		
Annual Remuneration	567 736	522 468
Car, Medical, House and Cellphone Allowance	50 359	3 250
Acting Allowance (Municipal Manager)	435 572	190 066
Telephone allowance	50 250	-
Contributions - UIF, Medical, Pension	4 012	-
Total	1 107 929	715 784
Remuneration of Head of Economic Development		
Annual Remuneration	45 182	-
Car, Medical, House and Cellphone Allowance	31 492	-
Contributions - UIF, Medical, Pension	14 218	-
Total	90 892	-
Remuneration of Head of Economic Development		
Annual Remuneration	28 621	-
Car, Medical, House and Cellphone Allowance	14 939	-
Telephone allowance	500	-
Leave Payout	19 250	-
Service Bonus	16 721	-
Contributions - UIF, Medical, Pension	7 449	-
Total	87 479	-
Remuneration of Head of Projects (Former)		
Annual Remuneration	-	277 440
Car, Medical, House and Cellphone Allowance	-	120 303
Service Bonus	-	22 608
Contributions - UIF, Medical, Pension	-	78 401
Total	-	498 752
Remuneration of Head of Projects (Current)		
Annual Remuneration	293 616	170 194
Car, Medical, House and Cellphone Allowance	178 235	75 776
Telephone allowance	6 000	-
Service Bonus	24 468	-
Contributions - UIF, Medical, Pension	74 111	44 061
Total	576 430	290 031
Remuneration of Head of Administration		
Annual Remuneration	301 484	277 440
Car, Medical, House and Cellphone Allowance	153 801	118 085
Telephone allowance	6 000	
Service Bonus	25 081	22 608
Contributions - UIF, Medical, Pension	70 161	64 004
Total	556 527	482 137
25. REMUNERATION OF COUNCILLORS		
Mayor	390 240	416 256
Speaker	337 686	333 004
Councillors	907 355	886 424
Travelling allowance	514 863	540 476
Telephone allowance	106 725	106 916
Total Councillors' Remuneration	2 256 870	2 283 077

In-kind Benefits

The Executive Mayor and Speaker are full-time Councillors. Each is provided with an office and secretarial support at the cost of the Municipality. The Executive Mayor may utilise official Council transportation when engaged in official duties.

Certification by the Municipal Manager

I certify that the remuneration of Councillors and in-kind benefits are within the upper limits of the framework envisaged in Section 219 of the Constitution, read with the Remuneration of Public Officer Bearers Act and the Minister of Provincial and Local Government's determination in accordance with this Act.

	2011 R	2010 R
26. DEBT IMPAIRMENT		
Receivables from non-exchange transactions - Note 15	181 636	-
Total Contribution to Bad Debts Provision	181 636	-
27. DEPRECIATION AND AMORTISATION		
Property, plant and equipment	1 795 601	1 945 888
Intangible assets	189 606	175 570
Investment property carried at cost	28 094	28 094
Total Depreciation and Amortisation	2 013 301	2 149 552
28. FINANCE COSTS		
Long-term Liabilities	145 588	677 597
Non-current Employee Benefits	1 346 534	1 347 522
Total Finance Costs	1 492 122	2 025 119
29. GRANTS AND SUBSIDIES PAID		
Grants paid to Local Municipalities	5 834 507	5 848 652
Total Grants and Subsidies	5 834 507	5 848 652
30. GENERAL EXPENSES		
Administration Costs	-	299 881
Advertisement	333 752	215 927
Audit Fees	863 099	862 285
Bank Charges	86 917	81 530
Congress Fees	14 730	26 267
Contractors Services	57 357	50 882
Entertainment and Receptions	97 241	93 234
Exhibitions	97 293	79 493
Fuel Cost	2 713 378	2 003 845
Insurance	92 881	105 522
Legal Fees	47 533	554 904
Licences	54 235	68 266
Materials/Toxins	500 152	399 607
Membership Fees/Subscriptions	145 138	256 868
Municipal Services	663 843	698 132
Penalties on settlement of loan	269 362	-
Protective Clothing	44 670	37 206
Printing and Stationary	170 810	144 226
Rent	22 942	75 634
Projects	2 193 307	2 712 746
Sundries	461 172	868 325
Telephone and Postage	639 871	595 658
Travelling Costs	1 230 244	1 205 476
Training Fees	432 721	283 383
Total General Expenses	11 232 649	11 719 297

	2011 R	2010 R
Disclosed as follows:		
Continued Operations	8 311 211	9 410 080
Discontinued Operations - Note 33	2 921 438	2 309 217
Total General Expenses	11 232 649	11 719 297
31. GAIN/ (LOSS) ON SALE OF ASSETS		
Property, plant and equipment	(6 525 471)	(117 268)
Total Gain/ (Loss) on Sale of Assets	(6 525 471)	(117 268)
32. (IMPAIRMENT LOSS)/ REVERSAL OF IMPAIRMENT LOSS		
Property, Plant and Equipment	(83 247)	-
Total (Impairment Loss)/ Reversal of Impairment Loss	(83 247)	-
33. PROFIT/ (LOSS) FROM DISCONTINUED OPERATIONS		
Revenue		
Property Taxes	403 970	383 173
Government Grants and Subsidies	16 182 652	17 651 899
Expenditure		
Employee related costs	(8 047 615)	(8 192 919)
Repairs and Maintenance	(1 642 719)	(1 711 323)
Other Operating Grant Expenditure	(3 565 895)	(5 438 441)
General Expenses	(2 921 438)	(2 309 217)
Total Profit/ (Loss) from Discontinued Operations	408 954	383 173
<p>Namakwa District Municipality provided services to District Management Areas under their control. These areas were transferred by a section 12 notice by the MEC of Cooperative Governance and Transitional Affairs to Local B-Municipalities. Since 30 June 2011, Namakwa District Municipality has no longer control over these District Management Areas and provide no longer any services to these areas.</p> <p>Namakwa District Municipality is from 1 July 2011 no longer an agent for Department of Roads and Public Works. The maintenance of roads function was transferred back to the department.</p>		
34. CHANGE IN ACCOUNTING POLICY		
The following adjustments were made to amounts previously reported in the annual financial statements of the Municipality arising from the implementation of GRAP:		
34.1 Property, Plant and Equipment - GRAP 17		
Balance previously reported	-	23 877 289
Implementation of GRAP		
Property, Plant and Equipment measured at provisional amounts in prior years - Note 10.1	-	3 942 246
Lease Assets not recognised in prior years	-	18 605
Restated Balance	-	27 838 140
The municipality opted to take advantage of the transitional provisions as contained in Directive 4 of the Accounting Standards Board, issued in March 2009. The municipality did not measure all, Plant and Equipment in accordance with GRAP 17.		
34.2 Accumulated Surplus - 1 July 2009		
Implementation of GRAP		
Property, Plant and Equipment measured at provisional amounts in prior years - Note 10.1	-	3 942 246
Total	-	3 942 246

	2011 R	2010 R
34.3 Accumulated Surplus/(Deficit) - 2009/2010		
Implementation of GRAP		
Lease Assets not recognised in prior years	-	18 605
Total	<u>-</u>	<u>18 605</u>
35. CORRECTION OF ERROR IN TERMS OF GRAP 3		
The following adjustments were made to amounts previously reported in the annual financial statements of the Municipality arising from the implementation of GRAP:		
35.1 Taxes		
Balance previously reported	-	605 290
VAT liability not recognised in prior year - Note 8.1	-	(20 377)
Restated Balance	<u>-</u>	<u>584 913</u>
Output Tax i.r.o. of prior year not recognised.		
35.2 Investment Properties		
Balance previously reported	-	-
Recalculation of depreciation on Investment Property prior to 1 July 2009 - Note 11	-	449 497
Recalculation of depreciation on Investment Property for 2009/2010 - Note 11	-	(28 094)
Restated Balance	<u>-</u>	<u>421 403</u>
Remaining useful lives of Investment Property were not reviewed in prior years. Useful lives are now reviewed for the first-time.		
35.3 Intangible Assets		
Balance previously reported	-	1 310 531
Recalculation of depreciation on Intangible Assets prior to 1 July 2009 - Note 12	-	127 452
Recalculation of depreciation on Intangible Assets for 2009/2010 - Note 12	-	(31 863)
Restated Balance	<u>-</u>	<u>1 406 120</u>
Remaining useful lives of Intangible Assets were not reviewed in prior years. Useful lives are now reviewed for the first-time.		
35.4 Accumulated Depreciation - GRAP 17		
Balance previously reported	-	12 218 467
Recalculation of depreciation on Property, Plant and Equipment prior to 1 July 2009 - Note 10	-	(1 954 129)
Recalculation of depreciation on Property, Plant and Equipment for 2009/2010 - Note 10	-	609 351
Restated Balance	<u>-</u>	<u>10 873 689</u>
Remaining useful lives of Property, Plant and Equipment were not reviewed in prior years. Useful lives are now reviewed for the first-time.		
35.5 Payables from exchange transactions		
Balance previously reported	-	15 458 747
RSC Replacement Levy Grant incorrectly disclosed as Payable - Note 6	-	(47 398)
Expenditure allocated incorrectly to PIMMS Grant disclosed under Other Creditors in prior year - Note 35.8	-	(88 700)
Restated Balance	<u>-</u>	<u>15 322 649</u>
RSC Replacement Levy Grant received incorrectly disclosed as Payable.		
35.6 Operating Lease Asset		
Balance previously reported	-	28 089
Recalculation of Operating Lease Asset - Note 16	-	5 200
Restated Balance	<u>-</u>	<u>33 288</u>
Correction of Operating Lease Asset due to calculation error in prior years.		

	2011 R	2010 R
35.7 Receivables from non-exchange transactions		
Balance previously reported	-	728 027
Administration Cost not allocated against Work-for-Water Debtor in prior year - Note 15	-	53 403
Restated Balance	-	781 430

Administration Cost not allocated to Work-for-Water project in prior year.

35.8 Unspent Conditional Government Grants and Receipts		
Balance previously reported	-	13 399 697
Expenditure allocated incorrectly against PIMMS Grant - Note 7	-	88 700
Restated Balance	-	13 488 397

Expenditure was allocated incorrectly against PIMMS Grant in prior years.

35.9 Accumulated Surplus		
VAT liability not recognised in prior year - Note 8.1	-	(20 377)
Recalculation of depreciation on Investment Property prior to 1 July 2009 - Note 11	-	449 497
Recalculation of depreciation on Intangible Assets prior to 1 July 2009 - Note 12	-	127 452
Recalculation of depreciation on Property, Plant and Equipment prior to 1 July 2009 - Note 10	-	1 954 129
RSC Replacement Levy Grant incorrectly disclosed as Payable - Note 35.5	-	47 398
Recalculation of Operating Lease Asset - Note 35.6	-	5 200
Total	-	2 563 299

35.11 Changes to Statement of Financial Performance

Movement on operating account as a result of GRAP standards not implemented in prior years:

	Balance previously reported	Adjustments	Restated Balance
Revenue			
Property taxes	-	-	-
Government Grants and Subsidies	35 241 968	-	35 241 968
Public Contributions and Donations	-	-	-
Contributed Property, Plant and Equipment	-	-	-
Fines	-	-	-
Third Party Payments	-	-	-
Actuarial Gains	345 951	-	345 951
Other Revenue from non-exchange transactions	10 479	-	10 479
Property Rates - penalties imposed and collection charges	-	-	-
Service Charges	-	-	-
Water Services Authority Contribution	-	-	-
Rental of Facilities and Equipment	592 074	-	592 074
Interest Earned - external investments	3 682 655	-	3 682 655
Interest Earned - outstanding receivables	-	-	-
Licences and Permits	-	-	-
Income for Agency Services	2 294 478	-	2 294 478
Other Income	643 320	53 403	696 723
Unamortised Discount - Interest	-	-	-
Total	42 810 925	53 403	42 864 328
Expenditure			
Employee related costs	(13 346 786)	-	(13 346 786)
Remuneration of Councillors	(2 283 077)	-	(2 283 077)
Debt Impairment	-	-	-
Collection Costs	-	-	-
Depreciation and Amortisation	(1 480 248)	(669 304)	(2 149 552)
Repairs and Maintenance	(169 047)	-	(169 047)
Unamortised Discount - Interest	-	-	-
Actuarial Losses	(18 564)	-	(18 564)
Finance Costs	(2 025 119)	-	(2 025 119)
Bulk Purchases	-	-	-
Contracted Services	-	-	-
Grants and Subsidies Paid	(5 848 652)	-	(5 848 652)
Other Operating Grant Expenditure	(3 501 603)	-	(3 501 603)
General Expenses	(9 410 080)	-	(9 410 080)
Total	(38 083 176)	(669 304)	(38 752 479)
Gains/(Loss) on Sale of Assets	(117 268)	-	(117 268)
Net Surplus/(Deficit) from discontinued operations	383 173	-	383 173
Net Surplus/(Deficit) for the year	4 993 655	(615 901)	4 377 754

	2011 R	2010 R
36. RECONCILIATION BETWEEN NET SURPLUS/(DEFICIT) FOR THE YEAR AND CASH GENERATED/(ABSORBED) BY OPERATIONS		
Surplus/(Deficit) for the year	(1 877 239)	4 377 754
Adjustments for:		
Depreciation and amortisation	2 013 298	2 149 552
Loss/(Gain) on disposal of property, plant and equipment	6 525 471	117 268
Impairment Loss/(Reversal of Impairment Loss)	83 247	-
Contribution to provisions – Non-Current Provisions	332 918	-
Debt Impairment	181 636	44 424
Contribution from/to provisions - Non-Current Employee Benefits - Actuarial losses	919 317	18 564
Contribution from/to provisions - Non-Current Employee Benefits - Actuarial gains	(454 542)	(345 951)
Operating lease income accrued	(17 374)	(18 066)
Operating Surplus/(Deficit) before changes in working capital	7 706 732	6 343 544
Changes in working capital	(15 853 050)	11 342 179
Increase/(Decrease) in Trade and Other Payables	(11 372 536)	11 771 228
Increase/(Decrease) in Employee Benefits	(801 619)	439 833
Increase/(Decrease) in Unspent Conditional Government Grants and Receipts	(1 714 642)	(2 783 822)
Increase/(Decrease) in Taxes	(256 032)	(439 909)
(Increase)/Decrease in Inventory	(198 565)	105 011
(Increase)/Decrease in Other Receivables from non-exchange transactions	(404 247)	2 249 838
(Increase)/Decrease in Unpaid Conditional Government Grants and Receipts	(1 105 408)	-
Cash generated/(absorbed) by operations	(8 146 317)	17 685 724
37. CASH AND CASH EQUIVALENTS		
Cash and cash equivalents included in the cash flow statement comprise the following:		
Current Accounts - Note 17	145 912	4 798 801
Call Investments Deposits - Note 17	63 102 116	71 985 747
Cash Floats - Note 17	755	755
Total cash and cash equivalents	63 248 782	76 785 303
38. RECONCILIATION OF AVAILABLE CASH AND INVESTMENT RESOURCES		
Cash and Cash Equivalents - Note 37	63 248 782	76 785 303
Less:	(11 685 054)	(13 488 397)
Unspent Committed Conditional Grants - Note 7	(11 685 054)	(13 488 397)
Net cash resources available for internal distribution	51 563 728	63 296 906
Allocated to:		
Capital Replacement Reserve	(710 770)	(1 837 177)
Resources available for working capital requirements	50 852 958	61 459 729
39. UTILISATION OF LONG-TERM LIABILITIES RECONCILIATION		
Long-term Liabilities - Note 3	178 186	4 378 478
Used to finance property, plant and equipment - at cost	(178 186)	(4 378 478)
Cash set aside for the repayment of long-term liabilities	-	-
Cash invested for repayment of long-term liabilities	-	-
Long-term liabilities have been utilized in accordance with the Municipal Finance Management Act.		

40. BUDGET COMPARISONS

	2011 Actual R	2011 Budget R	2011 Variance R	2011 Variance %
40.1 Operational Budget by source/type				
Revenue by source				
Property rates	403 970	405 000	(1 030)	-0.25%
Property rates - penalties & collection charges	-	-	-	-
Service charges - electricity revenue	-	-	-	-
Service charges - water revenue	-	-	-	-
Service charges - sanitation revenue	-	-	-	-
Service charges - refuse revenue	-	-	-	-
Service charges - other	-	-	-	-
Rental of facilities and equipment	577 317	907 000	(329 683)	-36.35%
Interest earned - external investments	3 407 420	1 800 000	1 607 420	89.30%
Interest earned - outstanding debtors	202 005	500	201 505	40300.98%
Dividends received	-	-	-	-
Fines	-	30 000	(30 000)	-100.00%
Licences and Permits	-	-	-	-
Agency services	1 474 404	41 734 000	(40 259 596)	-96.47%
Transfers recognised	55 760 294	60 047 000	(4 286 706)	-7.14%
Other revenue	1 292 332	782 000	510 332	65.26%
Gains on disposal of PPE	-	-	-	-
Total Revenue (excluding capital transfers and contributions)	63 117 741	105 705 500	(42 587 759)	-40.29%
Expenditure by Type				
Employee related costs	(22 092 945)	(28 532 000)	6 439 055	-22.57%
Remuneration of councillors	(2 256 871)	(3 530 000)	1 273 129	-36.07%
Debt Impairment	(181 636)	-	(181 636)	100.00%
Depreciation & asset impairment	(2 096 548)	(692 200)	(1 404 348)	202.88%
Finance charges	(1 492 122)	(227 000)	(1 265 122)	557.32%
Bulk purchases	-	-	-	-
Other materials	-	-	-	-
Contracted services	-	(100 000)	100 000	-100.00%
Transfers and grants	(11 502 561)	(41 848 000)	30 345 439	-72.51%
Other expenditure	(18 846 826)	(34 471 000)	15 624 174	-45.33%
Loss on disposal of PPE	(6 525 471)	-	(6 525 471)	-
Total Expenditure	(64 994 980)	(109 400 200)	44 405 220	-40.59%
Surplus/(Deficit) for the year	(1 877 238)	(3 694 700)	1 817 462	-49.19%
Details of material variances				
Underspending of the operating budget could be summarised as follow:				
MIG Funds not spend B-Municipalities and carried forward to the following year			5 629 063	
Transfers and Grants not received or utilised during the year			31 866 398	
Savings on salary budget due to vacant posts and discontinued operations			6 439 055	
Savings on general expenses due to discontinued operations			470 705	
Total under expenditure			44 405 220	
40.2 Operational Budget by Standard Classification				
Revenue - Standard				
Governance and Administration				
Executive and council	8 515 340	11 830 500	(3 315 160)	-28.02%
Budget and Treasury Office	25 580 449	28 030 000	(2 449 551)	-8.74%
Corporate Services	1 490 945	7 239 000	(5 748 055)	-79.40%
Community and Public Safety				
Community and Social Services	-	1 878 000	(1 878 000)	-100.00%
Sport and Recreation	-	-	-	-
Public Safety	666 704	1 335 000	(668 296)	-50.06%
Housing	-	-	-	-
Health	-	-	-	-
Economic and Environmental Services				
Planning and Development	16 799 200	24 793 000	(7 993 800)	-32.24%
Road Transport	10 065 104	30 565 000	(20 499 896)	-67.07%
Environmental Protection	-	-	-	-
Trading Services				
Electricity	-	-	-	-
Water	-	-	-	-
Waste Water Management	-	-	-	-
Waste Management	-	-	-	-
Other		35 000	(35 000)	-100.00%
Total Revenue	63 117 741	105 705 500	(42 587 759)	-40.29%

	2011 Actual R	2011 Budget R	2011 Variance R	2011 Variance %
<u>Expenditure - Standard</u>				
Governance and Administration				
Executive and council	(18 067 515)	(27 950 200)	9 882 685	-35.36%
Budget and Treasury Office	(3 268 909)	(4 536 000)	1 267 091	-27.93%
Corporate Services	(6 928 105)	(7 808 000)	879 895	-11.27%
Community and Public Safety				
Community and Social Services	(3 272 737)	(4 516 000)	1 243 263	-27.53%
Sport and Recreation	-	-	-	-
Public Safety	(2 648 377)	(3 218 000)	569 623	-17.70%
Housing	-	-	-	-
Health	(50 866)	(84 000)	33 134	-39.45%
Economic and Environmental Services				
Planning and Development	(21 130 152)	(28 963 000)	7 832 848	-27.04%
Road Transport	(9 612 960)	(29 165 000)	19 552 040	-67.04%
Environmental Protection	-	-	-	-
Trading Services				
Electricity	(15 360)	(765 000)	749 640	-97.99%
Water	-	(565 000)	565 000	-100.00%
Waste Water Management	-	-	-	-
Waste Management	-	-	-	-
Other	-	(1 830 000)	1 830 000	-100.00%
Total Expenditure	(64 994 980)	(109 400 200)	44 405 220	-40.59%
Surplus/(Deficit) for the year	(1 877 239)	(3 694 700)	1 817 461	-49.19%

Details of material variances

Refer to Annexure E(1) for explanations.

40.3 Capital Expenditure by Standard Classification

Governance and Administration				
Executive and council	55 991	77 000	(21 009)	-27.28%
Budget and Treasury Office	331 968	455 000	(123 032)	-27.04%
Corporate Services	573 420	1 441 000	(867 580)	-60.21%
Community and Public Safety				
Community and Social Services	24 576	36 000	(11 424)	-31.73%
Sport and Recreation	-	-	-	-
Public Safety	-	8 000	(8 000)	-100.00%
Housing	-	-	-	-
Health	-	-	-	-
Economic and Environmental Services				
Planning and Development	203 960	228 000	(24 040)	-10.54%
Road Transport	-	-	-	-
Environmental Protection	-	-	-	-
Trading Services				
Electricity	-	-	-	-
Water	-	-	-	-
Waste Water Management	-	-	-	-
Waste Management	-	-	-	-
Other	-	-	-	-
Total Capital Expenditure	1 189 915	2 245 000	(1 055 085)	-47.00%

Details of material variances

Refer to Annexure E(2) for explanations.

	2011 R	2010 R
41. UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE DISALLOWED		
41.1 Unauthorised expenditure		
Reconciliation of unauthorised expenditure:		
Opening balance	815 434	815 434
Unauthorised expenditure current year - operational	-	-
Unauthorised expenditure current year - capital	-	-
Approved by Council: URN29/11/2010	(815 434)	-
Transfer to receivables for recovery	-	-
Unauthorised expenditure awaiting authorisation	<u>-</u>	<u>815 434</u>
41.2 Fruitless and wasteful expenditure		
Reconciliation of fruitless and wasteful expenditure:		
Opening balance	1 530 457	1 530 457
Fruitless and wasteful expenditure current year	-	-
Condoned or written off by Council: URN29/11/2010	(1 530 457)	-
Transfer to receivables for recovery - not condoned	-	-
Fruitless and wasteful expenditure awaiting condonement	<u>-</u>	<u>1 530 457</u>
41.3 Irregular expenditure		
Reconciliation of irregular expenditure:		
Opening balance	6 323 059	6 204 215
Irregular expenditure current year	-	312 928
Recovered during the year (payment to Mayor)	-	(1 818)
Correction of Error - Note 35.4	-	(192 266)
Condoned or written off by Council: URN29/11/2010	(6 323 059)	-
Transfer to receivables for recovery - not condoned	-	-
Irregular expenditure awaiting condonement	<u>-</u>	<u>6 323 059</u>
42. ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT		
42.1 Contributions to organised local government - [MFMA 125 (1)(b)] - (SALGA CONTRIBUTIONS)		
Opening balance	-	53 616
Council subscriptions	173 591	151 218
Amount paid - current year	(173 591)	(53 616)
Amount paid - previous years	-	(151 218)
Balance unpaid (included in creditors)	<u>-</u>	<u>-</u>
42.2 Audit fees - [MFMA 125 (1)(c)]		
Opening balance	-	38 189
Current year audit fee	863 099	862 285
External Audit - Auditor-General	863 099	862 285
Internal Audit	-	-
Audit Committee	-	-
Amount paid - current year	(786 072)	(862 285)
Amount paid - previous year	-	(38 189)
Balance unpaid (included in creditors)	<u>77 027</u>	<u>-</u>
42.3 VAT - [MFMA 125 (1)(c)]		
Opening balance	605 290	165 381
Amounts received - current year	(1 670 692)	(962 134)
Amounts claimed - current year (payable)	1 906 348	1 402 043
Amount paid - current year	-	-
Amount paid - previous year	-	-
Closing balance	<u>840 946</u>	<u>605 290</u>

VAT is payable on the receipt basis. Only once payment is received from the debtors is VAT paid over to SARS.

	2011 R	2010 R
42.4 PAYE and UIF - [MFMA 125 (1)(c)]		
Opening balance	-	-
Current year payroll deductions	2 961 818	3 068 035
Amount paid - current year	(2 961 818)	(3 068 035)
Balance unpaid (included in creditors)	-	-

42.5 Pension and Medical Aid Deductions - [MFMA 125 (1)(c)]		
Opening balance	-	-
Current year payroll deductions and Council Contributions	5 549 924	7 015 296
Amount paid - current year	(5 549 924)	(7 015 296)
Amount paid - previous year	-	-
Balance unpaid (included in creditors)	-	-

42.6 Non-compliance with Chapter 14 of the Municipal Finance Management Act

Non-compliance to the Supply Chain Management Regulations were identified on the following categories:

	Less than R30,000	Between R30,001 and R200,000	Between R200,001 and R2,000,000	More than R2,000,001
Executive & Council	-	232 252	-	-
Financial Services	-	-	300 000	-
Technical Services	-	-	1 180 645	-
	-	232 252	1 480 645	-

42.7 Commitments in respect of contracts:

Supplier	Services	Date awarded	Balance of contract
Nashua	Rental of photocopiers	01/02/2010	229 405

43. FINANCIAL RISK MANAGEMENT

The activities of the municipality expose it to a variety of financial risks, including market risk (comprising fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The municipality's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the municipality's financial performance.

(a) Foreign Exchange Currency Risk

The municipality does not engage in foreign currency transactions.

(b) Price Risk

The municipality is not exposed to price risk.

(c) Interest Rate Risk

As the municipality has significant interest-bearing liabilities, the entity's income and operating cash flows are substantially dependent on changes in market interest rates.

The municipality analyses its potential exposure to interest rate changes on a continuous basis. Different scenarios are simulated which include refinancing, renewal of current positions, alternative financing and hedging. Based on these scenarios, the entity calculates the impact that a change in interest rates will have on the surplus/deficit for the year. These scenarios are only simulated for liabilities which constitute the majority of interest bearing liabilities.

The municipality did not hedge against any interest rate risks during the current year. The potential impact on the entity's surplus/(deficit) for the year due to changes in interest rates were as follow:

1% (2010: 1%) Increase in interest rates	630 698	724 061
1% (2010: 1%) Decrease in interest rates	(630 698)	(724 061)

(d) Credit Risk

Credit risk is the risk that a counter party to a financial or non-financial asset will fail to discharge an obligation and cause the Municipality to incur financial loss.

Credit risk arises mainly of cash deposits, cash equivalents, trade and other receivables and unpaid conditional grants and subsidies.

Trade and other receivables are disclosed net after provisions are made for impairment and bad debts. Trade receivables comprise of a large number of ratepayers, dispersed across different sectors and geographical areas. Ongoing credit evaluations are performed on the financial condition of these debtors. Credit risk pertaining to trade and other receivables is considered to be moderate due the diversified nature of receivables and immaterial nature of individual balances. In the case of consumer debtors the municipality effectively has the right to terminate services to customers but in practice this is difficult to apply. In the case of debtors whose accounts become in arrears, Council endeavours to collect such accounts by "levying of penalty charges", "demand for payment", "restriction of services" and, as a last resort, "handed over for collection", whichever procedure is applicable in terms of Council's Credit Control and Debt Collection Policy.

All rates are payable within 30 days from invoice date. Refer to note 15 for all balances outstanding longer than 30 days. These balances represent all debtors at year end which defaulted on their credit terms.

	2011 %	2011 R	2010 %	2010 R
<u>Non-exchange Receivables</u>				
Rates	7.94%	307 969	5.91%	205 439
Other	92.06%	3 570 443	94.09%	3 268 726
	<u>100.00%</u>	<u>3 878 411</u>	<u>100.00%</u>	<u>3 474 165</u>

No receivables are pledged as security for financial liabilities.

Due to short term nature of trade and other receivables the carrying value disclosed in note 15 of the financial statements is an approximation of its fair value. Interest on overdue balances are included at prime lending rate plus 1% where applicable.

The provision for bad debts could be allocated between the different classes of receivables as follow:

	2011 %	2011 R	2010 %	2010 R
<u>Non-exchange Receivables</u>				
Rates	0.00%	-	0.00%	-
Other	100.00%	2 874 371	100.00%	2 692 735
	<u>100.00%</u>	<u>2 874 371</u>	<u>100.00%</u>	<u>2 692 735</u>

The provision for bad debts could be allocated between the different categories of receivables as follow:

	2011 %	2011 R	2010 %	2010 R
Government	82.17%	2 361 999	13.65%	367 601
Industrial	3.04%	87 242	2.13%	57 246
Residential	14.79%	425 129	84.22%	2 267 888
	<u>100.00%</u>	<u>2 874 371</u>	<u>100.00%</u>	<u>2 692 735</u>

Bad debts written-off per receivable class:

	2011 %	2011 R	2010 %	2010 R
<u>Non-exchange Receivables</u>				
Rates	-	-	-	-
Other	-	-	100.00%	184 851
	-	-	100.00%	184 851

The entity only deposits cash with major banks with high quality credit standing. No cash and cash equivalents were pledged as security for financial liabilities and no restrictions were placed on the use of any cash and cash equivalents for the period under review. Although the credit risk pertaining to cash and cash equivalents are considered to be low, the maximum exposure are disclosed below.

The risk pertaining to unpaid conditional grants and subsidies are considered to be very low. Amounts are receivable from national and provincial government and there are no expectation of counter party default.

	2011 R	2010 R
Financial assets exposed to credit risk at year end are as follows:		
Receivables from non-exchange transactions	3 878 411	3 474 165
Cash and Cash Equivalents	63 248 027	76 784 548
Unpaid Conditional Grants and Subsidies	1 105 408	-
	68 231 846	80 258 713

(e) Liquidity Risk

Prudent liquidity risk management includes maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying business, the treasury maintains flexibility in funding by maintaining availability under credit lines.

The entity's risk to liquidity is a result of the funds available to cover future commitments. The entity manages liquidity risk through an ongoing review of future commitments and credit facilities.

The table below analyses the entity's financial liabilities into relevant maturity groupings based on the remaining period at the financial year end to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	Less than 1 year	Between 1 and 5 years	Between 5 and 10 years	More than 10 years
2011				
Long-term Liabilities	64 020	165 385	-	-
Trade and Other Payables	4 038 814	-	-	-
Unspent Conditional Grants and Receipts	11 685 054	-	-	-
	15 787 888	165 385	-	-
	Less than 1 year	Between 1 and 5 years	Between 5 and 10 years	More than 10 years
2010				
Long-term Liabilities	64 020	229 405	-	-
Trade and Other Payables	15 322 649	-	-	-
Unspent Conditional Grants and Receipts	13 488 397	-	-	-
	28 875 066	229 405	-	-

44. FINANCIAL INSTRUMENTS

In accordance with IAS 39.07 and IAS 39.09 the financial liabilities and assets of the municipality are classified as follows:

44.1 Financial Assets	Classification		
Investments			
Unlisted Investments	Available for sale	1 146	1 146
Receivables from Non-Exchange Transactions			
Sundry Debtors	Loans and Receivables	696 071	522 587
Assessment Rates	Loans and Receivables	307 969	205 440
Cash and Cash Equivalents			
Bank Balances	Loans and Receivables	145 912	4 798 801
Call Deposits	Loans and Receivables	63 102 116	71 985 747
Cash Floats and Advances	Loans and Receivables	755	755
Total Financial Assets		64 253 968	77 514 476

SUMMARY OF FINANCIAL ASSETS

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Financial Instruments at cost:

Investments	Unlisted Investments	1 146	1 146
		1 146	1 146

		2011 R	2010 R
Financial Instruments at amortised cost:			
Receivables from Non-exchange Transactions	Sundry Debtors	696 071	522 587
Receivables from Non-exchange Transactions	Recoverable Works	307 969	205 440
Cash and Cash Equivalents	Bank Balances	145 912	4 798 801
Cash and Cash Equivalents	Cash Floats and Advances	755	755
Cash and Cash Equivalents	Call Deposits	63 102 116	71 985 747
		64 252 822	77 513 330
Total Financial Assets		64 253 968	77 514 476
44.2 Financial Liabilities			
Classification			
Long-term Liabilities			
Annuity Loans	Financial Instruments at amortised cost	-	3 486 673
Capitalised Lease Liability	Financial Instruments at amortised cost	137 309	178 186
Trade and Other Payables			
Trade Creditors	Financial Instruments at amortised cost	97 630	2 783 154
Payments received in advance	Financial Instruments at amortised cost	64 144	25 365
Other Creditors	Financial Instruments at amortised cost	3 877 040	12 650 229
Current Portion of Long-term Liabilities			
Annuity Loans	Financial Instruments at amortised cost	-	678 218
Capitalised Lease Liability	Financial Instruments at amortised cost	40 877	35 401
		4 217 000	19 837 225
SUMMARY OF FINANCIAL LIABILITIES			
Financial instruments at amortised cost:			
Long-term Liabilities	Annuity Loans	-	3 486 673
Long-term Liabilities	Capitalised Lease Liability	137 309	178 186
Trade and Other Payables	Trade Creditors	97 630	2 783 154
Trade and Other Payables	Payments received in advance	64 144	25 365
Trade and Other Payables	Other Creditors	3 877 040	12 650 229
Current Portion of long-term liabilities	Annuity Loans	-	678 218
Current Portion of long-term liabilities	Capitalised Lease Liability	40 877	35 401
		4 217 000	19 837 225
45. EVENTS AFTER THE REPORTING DATE			
Namakwa District Municipality is from 1 July 2011 no longer an agent for Department of Roads and Public Works. The maintenance of roads function was transferred back to the department.			
Graders and radio's with a book value of R78 331 was donated to farming communities after year-end.			
46. IN-KIND DONATIONS AND ASSISTANCE			
The municipality did not receive any in-kind donations or assistance during the year under review.			
47. PRIVATE PUBLIC PARTNERSHIPS			
Council has not entered into any private public partnerships during the financial year.			
48. CONTINGENT LIABILITY			
5 Employees of Namakwa District Municipality is currently in dispute with the municipality. Houses rent by these employees from the municipality are charged at market related rates. The employees are of the opinion that the rates charged should be 6% of their basic salary. Additional employees tax of R19 244 must be deducted from the salaries of these employees and paid over to SARS if employees are successful in their case.			
49. RELATED PARTIES			
Key Management and Councillors receive and pay for services on the same terms and conditions as other ratepayers.			
49.1 Compensation of key management personnel			
The compensation of key management personnel is set out in note 24 to the Annual Financial Statements.			
50. GOING CONCERN			
Management is of the opinion that will municipality will continue to operate as a going concern and perform it's functions as set out in the Constitution.			

10.2 30 JUNE 2010

Reconciliation of Carrying Value	Land and Buildings R	Infrastructure R	Community R	Heritage R	Lease Assets R	Other R	Housing R	Total R
Carrying value at 1 July 2009	4 644 061	6 997 138	50 923	-	-	4 850 643	-	16 542 765
Cost	8 449 848	9 098 895	1 903 811	-	-	7 025 092	-	26 477 646
Original Cost	4 507 602	9 098 895	1 903 811	-	-	7 025 092	-	22 535 400
Change in Accounting Policy - Note 34.1	3 942 246	-	-	-	-	-	-	3 942 246
Accumulated Depreciation	(3 805 787)	(2 101 757)	(1 852 888)	-	-	(2 174 449)	-	(9 934 881)
Original Cost	(3 997 899)	(2 129 987)	(1 903 811)	-	-	(3 857 313)	-	(11 889 010)
Correction of Error - Note 35.4	192 112	28 230	50 923	-	-	1 682 864	-	1 954 129
Acquisitions	-	-	-	-	245 504	2 388 338	-	2 633 842
Proceeds on Sale of Assets	-	-	-	-	-	266 264	-	266 264
Depreciation	(215 753)	(339 331)	(3 183)	-	(18 908)	(1 867 155)	-	(2 444 329)
Normal Depreciation	(68 685)	(323 779)	-	-	(18 908)	(1 423 606)	-	(1 834 978)
Backlog Depreciation previously not recorded	(147 068)	(15 552)	(3 183)	-	-	(443 549)	-	(609 351)
Correction of Fixed Asset Register Classification in current year	-	80 295	-	-	-	(80 295)	-	-
Cost	-	87 385	-	-	-	(87 385)	-	-
Accumulated Depreciation	-	(7 090)	-	-	-	7 090	-	-
Impairment losses	-	-	-	-	-	(34 090)	-	(34 090)
Carrying value at 30 June 2010	4 428 308	6 738 103	47 740	-	226 596	5 523 706	-	16 964 452
Cost	9 671 564	9 186 280	159 133	-	226 899	8 594 265	-	27 838 141
Original Cost	9 671 564	9 186 280	159 133	-	226 899	8 594 265	-	27 838 141
Accumulated Depreciation	(5 240 671)	(2 448 177)	(111 393)	-	(18 908)	(3 054 541)	-	(10 873 690)
Original Cost	(5 240 671)	(2 448 177)	(111 393)	-	(18 908)	(3 054 541)	-	(10 873 690)

Refer to Appendix B for a more detailed disclosure of Property, Plant and Equipment.

Since the previous reporting date the following Property, Plant and Equipment were measured in accordance with GRAP 17 and restated retrospectively:

	2011 R	2010 R
Land	-	3 942 246
Accumulated depreciation as a result of review of useful lives.	-	1 344 778
	-	5 287 024

APPENDIX A
NAMAKWA DISTRICT MUNICIPALITY
SCHEDULE OF EXTERNAL LOANS AS AT 30 JUNE 2011

EXTERNAL LOANS	Rate	Loan Number	Redeemable	Balance at 30 June 2010	Received during the period	Redeemed written off during the period	Balance at 30 June 2011
ANNUITY LOANS							
DBSA		100126	30/06/2013	1 854 168	-	1 854 168	-
DBSA		Various	2018/2019	2 310 723	-	2 310 723	-
Total Annuity Loans				4 164 891	-	4 164 891	-
LEASE LIABILITY							
Office Equipment		NDM006-460818	30/06/2009	213 587	-	35 401	178 186
Total Lease Liabilities				213 587	-	35 401	178 186
TOTAL EXTERNAL LOANS				4 378 478	-	4 200 292	178 186

APPENDIX B
NAMAKWA DISTRICT MUNICIPALITY
ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT AS AT 30 JUNE 2011

	Cost/Revaluation						Accumulated Depreciation					Carrying Value
	Opening Balance	Change in Accounting Policy/ Correction of Error	Additions	Under Construction	Disposals/ Impairment	Closing Balance	Opening Balance	Change in Accounting Policy/ Correction of Error	Additions	Disposals/ Impairment	Closing Balance	
Total brought forward	15 074 730	3 942 246	273 946	-	(9 080 863)	10 210 059	7 908 287	(108 047)	464 202	(2 673 809)	5 590 632	4 619 427
Lease Assets	226 899	-	-	-	-	226 899	18 908	-	45 380	-	64 288	162 611
Other Assets												
Office Equipment	2 881 549	18 171	567 177	-	(128 299)	3 338 599	1 607 053	(629 604)	522 661	(113 924)	1 386 187	1 952 412
Furniture and Fittings	1 312 170	-	98 753	-	(7 690)	1 403 233	587 297	(231 225)	186 777	(4 980)	537 869	865 364
Bins and Containers	18 110	434	-	-	-	18 544	7 598	(2 474)	2 696	-	7 820	10 724
Plant and Equipment	1 532 743	-	49 543	-	(1 999)	1 580 287	1 267 108	(244 549)	193 373	(1 594)	1 214 337	365 950
Motor Vehicles	2 640 955	-	-	-	(153 522)	2 487 433	806 092	(120 985)	444 834	(153 522)	976 419	1 511 013
Fire Equipment	190 133	-	-	-	(107 315)	82 818	16 124	(7 894)	18 920	(6 388)	20 763	62 056
Refuse Tankers	-	-	-	-	-	-	-	-	-	-	-	-
Computer Equipment	-	-	-	-	-	-	-	-	-	-	-	-
Councillors Regalia	-	-	-	-	-	-	-	-	-	-	-	-
Conservancy Tankers	-	-	-	-	-	-	-	-	-	-	-	-
Water crafts	-	-	-	-	-	-	-	-	-	-	-	-
	8 575 660	18 605	715 474	-	(398 825)	8 910 914	4 291 272	(1 236 731)	1 369 262	(280 408)	4 143 395	4 767 519
Total	23 877 289	3 960 851	989 420	-	(9 479 688)	19 347 872	12 218 467	(1 344 778)	1 878 843	(2 954 217)	9 798 315	9 549 557

APPENDIX C
NAMAKWA DISTRICT MUNICIPALITY
SEGMENTAL ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT AS AT 30 JUNE 2011
GENERAL FINANCE STATISTICS CLASSIFICATION

	Cost/Revaluation				Accumulated Depreciation					Carrying Value	
	Opening Balance	Change in Accounting Policy/ Correction of Error	Additions	Disposals	Closing Balance	Opening Balance	Change in Accounting Policy/ Correction of Error	Additions/ Impairments	Disposals		Closing Balance
Executive Mayor	134 571	-	-	-	134 571	73 535	(24 074)	20 891	-	70 352	64 220
Mayor: PA	13 025	-	27 510	-	40 535	9 350	(2 876)	3 437	-	9 911	30 624
Speaker	65 337	-	-	-	65 337	39 885	(10 835)	12 192	-	41 241	24 095
Speaker: Secretary	35 889	-	6 009	-	41 898	17 693	(6 843)	5 258	-	16 109	25 789
Council: Councillors	5 432	-	-	-	5 432	5 432	(2 037)	340	-	3 735	1 698
Council Exp: Admin	6 377 382	3 858 349	-	(33 636)	10 202 095	5 931 479	(244 097)	281 113	(33 636)	5 934 859	4 267 236
Community Development Officer	15 540	-	-	-	15 540	-	-	3 108	-	3 108	12 432
Municipal Manager	116 366	-	-	(3 486)	112 880	60 446	(27 149)	15 023	(1 975)	46 345	66 535
Municipal Manager Admin	47 487	-	-	-	47 487	35 044	(16 799)	6 750	-	24 995	22 492
Deputy Municipal Manager	-	-	-	-	-	-	-	-	-	-	-
Internal Audit	25 678	-	-	-	25 678	16 108	(5 971)	6 433	-	16 570	9 108
Administration - Admin	685 474	-	13 167	(45 234)	653 407	355 281	(129 816)	129 979	(42 113)	313 331	340 076
Administration - HR	79 612	-	5 644	(1 914)	83 342	33 142	(10 268)	16 461	(1 084)	38 251	45 091
Equitable Share	-	-	-	-	-	-	-	-	-	-	-
Manager - Finance	913 010	354	161 150	(25 718)	1 048 795	429 291	(225 789)	184 987	(22 486)	366 002	682 793
Finance - Income	-	-	-	-	-	-	-	-	-	-	-
Finance - Expenditure	-	-	-	-	-	-	-	-	-	-	-
Safety	674 717	-	25 753	(107 315)	593 155	240 691	(58 835)	89 358	(6 388)	264 826	328 330
Head - Economic Development	60 320	-	-	(638)	59 683	25 909	(9 831)	12 295	(602)	27 771	31 912
Development & Marketing Officer	-	-	-	-	-	-	-	-	-	-	-
Tourism	290 014	-	-	(9 145)	280 869	135 076	(55 707)	43 827	(5 565)	117 632	163 237
Problem Animal Control	-	-	-	-	-	-	-	-	-	-	-
Head: Socio-Economic Develop	-	-	-	-	-	-	-	-	-	-	-
PIMS	397 807	-	3 465	(1 518)	399 754	279 494	(100 520)	62 062	(1 434)	239 603	160 152
Head Projects	-	-	-	-	-	-	-	-	-	-	-
Council Buildings	801 414	83 998	679 938	-	1 565 350	245 945	(71 744)	103 454	-	277 655	1 287 695
Council Vehicles	3 532 571	-	427	(153 522)	3 379 476	1 604 979	(226 160)	524 641	(153 522)	1 749 938	1 629 539
Council Projects	9 483 408	18 150	41 781	(9 097 563)	445 776	2 634 617	(100 865)	334 424	(2 685 411)	182 765	263 011
Environmental Health	106 967	-	24 576	-	131 544	35 182	(8 663)	19 912	-	46 431	85 113
Operational and Maintenance	14 597	-	-	-	14 597	9 553	(5 898)	2 815	-	6 469	8 127
PMU	672	-	-	-	672	336	-	84	-	420	252
	23 877 290	3 960 851	989 420	(9 479 688)	19 347 873	12 218 469	(1 344 778)	1 878 843	(2 954 217)	9 798 317	9 549 556

APPENDIX D
NAMAKWA DISTRICT MUNICIPALITY
SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2011
GENERAL FINANCE STATISTIC CLASSIFICATIONS

2010 Actual Income R	2010 Actual Expenditure R	2010 Surplus/ (Deficit) R		2011 Actual Income R	2011 Actual Expenditure R	2011 Surplus/ (Deficit) R
2 303 190	13 025 775	(10 722 585)	Executive & Council	8 515 340	18 067 515	(9 552 175)
25 198 848	4 809 250	20 389 598	Budget & Treasury Office	25 580 449	3 268 909	22 311 540
1 485 642	5 955 079	(4 469 437)	Corporate Services	1 490 945	6 928 105	(5 437 160)
8 631 576	7 225 458	1 406 119	Planning & Development	16 799 200	21 130 152	(4 330 952)
-	49 879	(49 879)	Health	-	50 866	(50 866)
-	-	-	Community & Social Services	-	3 272 737	(3 272 737)
-	-	-	Housing	-	-	-
1 183 705	2 070 857	(887 152)	Public Safety	666 704	2 648 377	(1 981 673)
-	-	-	Sport and Recreation	-	-	-
1 385 188	2 571 351	(1 186 163)	Environmental Protection	-	-	-
-	-	-	Waste Management	-	-	-
-	-	-	Waste Water Management	-	-	-
20 806 243	20 806 243	-	Road Transport	10 065 104	9 612 960	452 144
-	4 798	(4 798)	Water	-	-	-
600	98 550	(97 950)	Electricity	-	15 360	(15 360)
60 994 994	56 617 240	4 377 754	Sub Total	63 117 741	64 994 980	(1 877 239)
-	-	-	Less Inter-Departmental Charges	-	-	-
60 994 994	56 617 240	4 377 754	Total	63 117 741	64 994 980	(1 877 239)

APPENDIX E(1)
NAMAKWA DISTRICT MUNICIPALITY
REVENUE AND EXPENDITURE
ACTUAL VERSUS BUDGET FOR THE YEAR ENDED 30 JUNE 2011
GENERAL FINANCE STATISTIC CLASSIFICATIONS

	2011 Actual (R)	2011 Budget (R)	2011 Variance (R)	2011 Variance (%)	Explanation of Significant Variances greater than 10% versus Budget
REVENUE					
Property rates	403 970	405 000	(1 030)	-0.25%	
Government Grants and Subsidies	55 760 294	60 047 000	(4 286 706)	-7.14%	
Public Contributions and Donations	-	-	-	0.00%	
Contributed PPE	-	-	-	0.00%	
Fines	-	30 000	(30 000)	-100.00%	Incorrect Budgeting
Third Party Payments	-	-	-	0.00%	
Actuarial gains	-	-	-	0.00%	
Dividends received	-	-	-	0.00%	
Property rates - Penalties & Collection Charges	-	-	-	0.00%	
Service Charges	-	-	-	0.00%	
Water Services Authority Contribution	-	-	-	0.00%	
Rental of Facilities and Equipment	577 317	907 000	(329 683)	-36.35%	
Interest Earned - External Investments	3 407 420	1 800 000	1 607 420	89.30%	Additional interest received
Interest Earned - Outstanding Receivables	202 005	500	201 505	40300.98%	Additional interest received
Licences and Permits	-	-	-	0.00%	
Agency Services	1 474 404	41 734 000	(40 259 596)	-96.47%	Incorrect Budgeting
Other Income	1 292 332	782 000	510 332	65.26%	Additional income received
Unamortised discount - Interest	-	-	-	0.00%	
Gains on Disposal of PPE	-	-	-	0.00%	
Reversal of Impairment Loss	-	-	-	0.00%	
Changes in Fair Value	-	-	-	0.00%	
Inventory: Reversal of write-down to Net	-	-	-	0.00%	
Realisable Value	-	-	-	0.00%	
Total Revenue	63 117 741	105 705 500	(42 587 759)	-40.29%	
EXPENDITURE					
Executive & Council	(18 067 515)	(29 780 200)	11 712 685	-39.33%	Incorrect budgeting
Budget & Treasury Office	(3 268 909)	(4 536 000)	1 267 091	-27.93%	Incorrect budgeting
Corporate Services	(6 928 105)	(7 808 000)	879 895	-11.27%	Incorrect budgeting
Planning & Development	(21 130 152)	(28 963 000)	7 832 848	-27.04%	Incorrect budgeting
Health	(50 866)	(84 000)	33 134	-39.45%	Incorrect budgeting
Community & Social Services	(3 272 737)	(4 516 000)	1 243 263	-27.53%	Incorrect budgeting
Housing	-	-	-	0.00%	
Public Safety	(2 648 377)	(3 218 000)	569 623	-17.70%	Incorrect budgeting
Sport & Recreation	-	-	-	0.00%	
Environmental Protection	-	-	-	0.00%	
Waste Management	-	-	-	0.00%	
Waste Water Management	-	-	-	0.00%	
Road Transport	(9 612 960)	(29 165 000)	19 552 040	-67.04%	Incorrect budgeting
Water	-	(565 000)	565 000	-100.00%	Swartzkop not promulgated as a town
Electricity	(15 360)	(765 000)	749 640	-97.99%	Swartzkop not promulgated as a town
Less: Interdepartmental Charges	-	-	-	0.00%	
Total Expenditure	(64 994 980)	(109 400 200)	44 405 220	-40.59%	
NET SURPLUS/(DEFICIT) FOR THE YEAR	(1 877 238)	(3 694 700)	1 817 462	-49.19%	

APPENDIX F
NAMAKWA DISTRICT MUNICIPALITY
DISCLOSURES OF GRANTS AND SUBSIDIES IN TERMS OF SECTION 123 OF MFMA, 56 OF 2003

Grant Description	Balance 30 June 2010	Contributions during the year	Correction of Error	Other Income	Operating Expenditure during the year Transferred to Revenue	Capital Expenditure during the year Transferred to Revenue	Balance 30 June 2011	Unspent 30 June 2011 (Creditor)	Unpaid 30 June 2011 (Debtor)
<u>National Government Grants</u>									
Finance Management Grant	125 741	1 000 000	-	-	(1 091 354)	(31 253)	3 134	3 134	-
RSC Levies Replacement Grant	-	22 808 508	-	-	(22 808 508)	-	-	-	-
Equitable Share	-	5 704 000	-	-	(5 704 000)	-	-	-	-
Concillors Remuneration Grant	-	778 000	-	-	(778 000)	-	-	-	-
Municipal Infrastructure Grant	6 306 104	5 242 000	-	-	(5 919 041)	-	5 629 063	5 629 063	-
Municipal System Improvement Grant	184 599	150 000	-	-	(332 482)	-	2 117	2 117	-
PIMS	1 439 759	600 001	88 700	-	(995 860)	(3 465)	1 129 135	1 129 135	-
Total National Government Grants	8 056 203	36 282 509	88 700	-	(37 629 246)	(34 718)	6 763 448	6 763 448	-
<u>Provincial Government Grants</u>									
Border Fencing	54 239	-	-	-	-	-	54 239	54 239	-
Civil Defence Subsidy	-	-	-	-	-	-	-	-	-
Department of Transport	632 143	14 445 102	-	-	(16 182 652)	-	(1 105 408)	-	(1 105 408)
Drought Relief	357 262	-	-	-	(283 388)	-	73 874	73 874	-
EPWP	135 792	206 000	-	-	-	-	341 792	341 792	-
Fire Equipment Grant	307 515	350 000	-	-	(86 391)	(28 790)	542 334	542 334	-
IDP/LDO	420 906	-	-	-	(28 350)	-	392 556	392 556	-
Komaggas Road	4 371	-	-	-	-	-	4 371	4 371	-
SA Projects	205 909	-	-	-	-	-	205 909	205 909	-
Namaqua Sanitation Bucket System	213 395	-	-	-	-	-	213 395	213 395	-
NC Housing	500 000	-	-	-	-	-	500 000	500 000	-
Nieuwoudtville Access Road	-	900 000	-	-	(551 523)	-	348 477	348 477	-
Sakrivier Bridge	512 623	-	-	-	-	-	512 623	512 623	-
Contingency Fund	917 927	-	-	-	(126 333)	-	791 594	791 594	-
Fencing	42 555	-	-	-	-	-	42 555	42 555	-
Electronic Filing System	15 227	-	-	-	-	-	15 227	15 227	-
Total Provincial Government Grants	4 319 864	15 901 102	-	-	(17 258 636)	(28 790)	2 933 539	4 038 946	(1 105 408)
<u>Other Grant Providers</u>									
Brandvlei Electricity Network	12 896	-	-	-	(12 896)	-	-	-	-
Maintenance Fund	22 233	-	-	-	-	-	22 233	22 233	-
Spoegrivier Sport Ground (Lotto)	5 290	-	-	-	-	-	5 290	5 290	-
Swartzkop Sport Ground (Lotto)	207 475	-	-	-	-	-	207 475	207 475	-
Training Reserve (SETA)	537 418	81 934	-	-	-	-	619 351	619 351	-
Kamiesberg Special Fund	146 055	497 000	-	-	(617 758)	-	25 297	25 297	-
Richtersveld Special Fund	92 263	53 000	-	-	(142 250)	-	3 013	3 013	-
Total Other Grant Providers	1 023 630	631 934	-	-	(772 904)	-	882 660	882 660	-
Total Grants	13 399 697	52 815 544	88 700	-	(55 660 786)	(63 508)	10 579 647	11 685 054	(1 105 408)

APPENDIX E (2)
NAMAKWA DISTRICT MUNICIPALITY
ACTUAL VERSUS BUDGET FOR THE YEAR ENDED 30 JUNE 2011
ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT & INTANGIBLE ASSETS
GENERAL FINANCE STATISTIC CLASSIFICATIONS

	2011 Actual	2011 Under Construction	2011 Total Additions	2011 Budget	2011 Variance	2011 Variance	Explanation of Significant Variances greater than 5% versus Budget
	R	R	R	R	R	%	
Executive & Council	55 991	-	55 991	77 000	(21 009)	-27.28%	Savings on budget due to economic purchases
Budget & Treasury Office	331 968	-	331 968	455 000	(123 032)	-27.04%	Roll-over of budget
Corporate Services	573 420	-	573 420	1 441 000	(867 580)	-60.21%	Roll-over of budget
Planning & Development	200 495	-	200 495	228 000	(27 505)	-12.06%	Roll-over of budget
Health	-	-	-	-	-	-	
Community & Social Services	24 576	-	24 576	36 000	(11 424)	-31.73%	Savings on budget due to economic purchases
Housing	-	-	-	-	-	-	
Public Safety	3 465	-	3 465	8 000	(4 535)	-56.69%	Savings on budget due to economic purchases
Sport & Recreation	-	-	-	-	-	-	
Environmental Protection	-	-	-	-	-	-	
Waste Management	-	-	-	-	-	-	
Waste Water Management	-	-	-	-	-	-	
Road Transport	-	-	-	-	-	-	
Water	-	-	-	-	-	-	
Electricity	-	-	-	-	-	-	
Total	1 189 915	-	1 189 915	2 245 000	(1 055 085)	-47.00%	

IN MEMORIAM



For us as the Namakwa District Municipality, the sudden death of our former Executive Mayor, Councillor Hendrik Visser, was a profound loss and came as a big shock.

As he noted in his final speech to the Councillors at a farewell function at the end of 2010, his principle aim was always to make the Namakwa District Municipality one of the best in South Africa. He always strived to seek ways on how to advance local government and serve the poor to improve their lives. Councillor Visser had a passion for his work and his dedication was outstanding. "Councillor Visser was a remarkable man who championed the cause for development, particularly for the poor and the downtrodden"

(Premier H Jenkins – Visser's funeral: June 2010). Officials as well as councillors treated him with respect, as he was appointed as the Municipal Manager in 1997 and then became the Executive Mayor in 2008 up until his death on 26 May 2011. Councillor Visser served on a few structures of the ANC from branch to regional as well as on provincial level. The peaceful manner in which he handled situations, his tolerance, companionship, also made him an outstanding leader. He believed in what was right, in equality and justice.

A lot of people will remember him as a person with a very good sense for humor. He was held in high esteem by us all and always made his presence felt when he was in the company of people because of his self confidence and righteousness. As friends and colleagues, we will always value his friendship, his guidance, his frankness and his infectious sense of humor. He left footprints in which we all can follow.

We miss him, but life must go and we must go on doing what he strived for: "A better life for all"... to make this District Municipality one of the best!

